Proposal to establish a combined authority for Greater Merseyside

Consultation
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Chapter 1

The consultation

Why we are consulting

1. The six Greater Merseyside authorities, working jointly with the Merseyside Integrated Transport Authority and with the support of the “Liverpool City Region Local Enterprise Partnership” have prepared and published a scheme with proposals for delivering greater economic growth in their area. These councils – Halton Borough Council, Metropolitan Borough of Knowsley, Liverpool City Council, Sefton Metropolitan Borough Council, St Helens Metropolitan Borough Council, and Wirral Metropolitan Borough Council are proposing measures to improve transport, economic development and regeneration in the area. These proposed measures are centred on replacing the Merseyside Integrated Transport Authority with a combined authority which will bring together responsibility for transport, economic development and regeneration.

2. Where councils come forward with such locally led proposals, the statute provides that the Secretary of State may, if certain statutory conditions are met and if Parliament approves, make an order opening the way for the councils to adopt their new ways of working. Such an order would establish the combined authority that the councils are proposing to facilitate their joint working. The combined authority would also replace the existing Integrated Transport Authority. Whilst the Secretary of State will consider the circumstances of each particular case, he has adopted a localist policy in relation to how he will exercise these powers. This is to say that where councils come forward with such proposals which command wide local support, if the Secretary of State considers that the statutory conditions are met he will invite Parliament to approve the Order establishing the proposed combined authority to enable the councils to give full effect to their ambitions for joint working. This localist approach means that where the councils concerned wish to amend these joint working arrangements, for example, an individual authority wishes to leave a combined authority, then the Secretary of State would once again consider the circumstances of the particular case and if certain statutory conditions are met, invite Parliament to approve an Order to give effect to these amendments. Ministers would need to be assured that a reasonable case could be put to Parliament to justify the legislative change.

3. There are a number of statutory conditions that have to be considered, including that the area of the combined authority must consist of contiguous whole local government areas and not overlap with the area of another combined authority, an economic prosperity board, or an integrated transport authority and the Secretary of State must consider, having regard to the scheme published by the councils concerned, that establishing the combined authority would be likely to improve:

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1 Local Democracy, Economic Development and Construction Act 2009
• the exercise of statutory functions relating to transport in the area,
• the effectiveness and efficiency of transport in the area,
• the exercise of statutory functions relating to economic development and regeneration in the area, and
• economic conditions in the area.

Before making such an Order the Secretary of State must consult:

• each appropriate authority, and
• such other persons, if any, as the Secretary of State considers appropriate.

The statute also requires that the Secretary of State in making the Order must have regard to the need:

• to reflect the identities and interests of local communities, and
• to secure effective and convenient local government.

4. Accordingly, given the councils’ proposals and having regard to his localist policy, the Secretary of State is now consulting on a proposal to establish a combined authority for the area of Greater Merseyside – the areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral replacing the Merseyside Integrated Transport Authority.

Who we are consulting

5. The appropriate authorities which the statute requires the Secretary of State to consult are:

• a county council if the area of the county council, or part of that area, is within the area for which the combined authority is to be established;
• a district council if the area of the district council is within the area for which the combined authority is to be established;
• an Economic Prosperity Board, if its area or part of its area, is within the area for which the combined authority is to be established;
• an Integrated Transport Authority, if its integrated transport area, or part of that area, is within the area for which the combined authority is to be established.

6. In this case these statutory consultees are the borough councils of Halton, Knowsley, Sefton, St Helens and Wirral, Liverpool City Council and Merseyside Integrated Transport Authority.

7. In addition the Secretary of State considers in this case it is also appropriate to consult:

• the local enterprise partnership concerned – “Liverpool City Region Enterprise Partnership”;
• those councils neighbouring the combined authority area - Cheshire West and Chester Council, Lancashire County Council, Warrington Borough Council, West Lancashire Borough Council, and Wigan Metropolitan Borough Council.
We also welcome comments from members of the public, local businesses and their representative bodies and representatives of the voluntary sector.

How to respond

8. Your response must be received by 22 January 2014. It can be sent by email to collaborate@communities.gsi.gov.uk or in writing to:

Kathy Billington
Department for Communities and Local Government
Local Democracy Division
Zone 3/J1 Eland House
Bressenden Place
London, SW1E 5DU

Please title your response ‘Response to proposal to establish a combined authority for Greater Merseyside’.

Confidentiality and data protection

9. Any responses to this consultation may be made public. If you do not want all or part of your response or name made public, please state this clearly in the response. Any confidentiality disclaimer that may be generated by your organisation’s IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been specifically requested.

10. Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004). If you want other information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

11. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. The Department will process your personal data in accordance with the Data Protection Act 1998 and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.
Chapter 2

The Councils’ Scheme

The scheme

12. On 30 September 2013 the six Greater Merseyside authorities; Halton Borough Council, the Metropolitan Borough of Knowsley, Liverpool City Council, Sefton Metropolitan Borough Council, St Helens Metropolitan Borough Council, and Wirral Metropolitan Borough Council and the Merseyside Integrated Transport Authority, supported by the “Liverpool City Region Local Enterprise Partnership” published in accordance with the statute a scheme with proposals for delivering greater local economic growth centred on the establishment of a combined authority across Greater Merseyside. Before preparing this scheme, the councils had, as required by the statute, undertaken a review of the governance arrangements across Greater Merseyside. A document \(^2\) (“the governance review”) describing this review and its conclusions may be viewed at www.knowsley.gov.uk/governancereview where the scheme may also be viewed. The paragraphs below outline the findings of the councils’ governance review, and their conclusions which underpin the proposals in the scheme.

The governance review

13. The six Greater Merseyside authorities, Merseyside Integrated Transport Authority and their local enterprise partnership, share an ambition to create a thriving, international, economically sustainable economic area. They believe that the long-term sustainability of their economy will be created and maintained by building on the commitments set out in both the “Liverpool City Deal” and “Liverpool City Region Deal”.

14. The authorities and their partners wish to capitalise on the latent potential for economic growth by focussing on investment activity across the four key growth areas - the Low Carbon Economy, the Knowledge Economy, Visitor Economy and the Super Port.

15. In realising its potential the area needs to create 18,500 new businesses to bring it in line with national rates, decrease the skill deficit at all levels as well as the decreasing the deficit of 90,000 jobs. These factors will help to address the £1,700 per-head wealth gap that currently exists between the average household in the area and the average UK household. Supporting Greater Merseyside to perform at the national average would generate an additional £8.2bn per annum to the national economy.

16. Whilst the authorities and the local enterprise partnership play an important role in developing the conditions for economic growth, it has been recognised that in order to realise their ambitions for economic growth they need transparent and effective

\(^2\) Liverpool City Region Review of Strategic Governance Arrangements
arrangements to enable long-term strategic decision making across the Greater Merseyside area. As a result, the leaders and mayor of the six local authorities in collaboration with the Merseyside Integrated Transport Authority and the "Liverpool City Region Local Enterprise Partnership" commissioned a governance review to determine the following:

- whether the area covered by the local authorities of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral could be properly seen as constituting a functional economic area for the purpose under consideration in the review; and
- whether the existing governance arrangements for economic development, regeneration and transport are effective or would benefit from changes.

17. To ensure that the shared ambition for Greater Merseyside is achieved and local economic growth is improved, the governance review considered four options: leaving the existing governance arrangements unchanged (status quo); establishing a supervisory board; establishing an economic prosperity board; creating a combined authority.

18. It also considered what its recommendation would mean in terms of strategic direction making in relation to economic development, regeneration and transport and how this recommendation would boost the local economy by harnessing the area’s latent economic potential.

19. The review considered the options above and in relation to each one, evaluated the likely improvement in:

- the exercise of statutory functions relating to economic development, regeneration and transport in the area;
- the effectiveness and efficiency of transport in the area; and
- the economic conditions in the area.

20. The governance review demonstrates that there are strong economic and transport links across the area with about 84% of working age people both living and working in the area\(^3\). With an extensive, heavily used local rail network as well as good access to a substantial motorway network, providing sustainable travel to work links between Liverpool and the surrounding districts, the review shows that there is clear evidence that the six local authority areas constitute a functional economic area.

21. The review showed that currently there is no one decision making body responsible for strategic decisions relating to transport and economic development across the area of the six local authorities. It found that the current non-statutory arrangements create ambiguity and overlap between the roles and functions of the delivery bodies which are dependent on agreements by the relevant authorities and the Integrated Transport Authority. In addition, the local enterprise partnership sets joint strategies and action plans between the public and private sector but is also dependent on delivery decisions of the relevant authorities. The lack of any formal decision making links in these areas

\(^3\) Annual Population Survey 2012
makes it challenging for decisions to be aligned in a way that secures maximum economic benefit for the area. This fragmentation and lack of integration is one of the reasons that the Greater Merseyside economy is not achieving its full potential.

22. The governance review concluded that the establishment of a combined authority with the alignment of accountability, governance and geographies for economic development, regeneration and transport, provides Greater Merseyside with the best chance of securing significant and lasting improvements in these areas. Working across the administrative boundaries of the six local authorities will help to realise the ambition of the authorities and the local enterprise partnership to create a thriving, economically sustainable functional economic area.

Existing governance arrangements

23. The review shows that across Greater Merseyside there are four boards that bring together the public and private sector to focus on the delivery of economic development and regeneration. Whilst these boards have been in existence for a number of years, current governance arrangements are complex and layered, with a fragmentation of roles and responsibilities reducing the capacity for effective decision-making and transparency resulting in a lack of economic growth across the area:

- The “Liverpool City Region Cabinet” was established in 2008 to act as an advisory body to take forward the “Liverpool City Region Development Plan”. It brings together the leaders and mayor from the six authorities and the private sector in an informal basis to support and develop the conditions for economic growth. However, as the “Cabinet” is not underpinned by any formal strategic arrangements, it is unable to make any formal decisions.

- “Liverpool City Region Local Enterprise Partnership” came into existence in 2012. Having previously operated as The Mersey Partnership, it has 20 years of economic development experience which gives both the private sector and public bodies the opportunity to work together on identifying key actions and opportunities that will deliver jobs and growth. Although it will be responsible for helping to prioritise investment and influence the future economic strategy for the area, the local enterprise partnership cannot be given accountable body status, so is unable to hold any government funding.

- “Liverpool City Region Employment and Skills Board” formed in 2010 works on behalf of and reports into both the “City Region Cabinet” and the local enterprise partnership. It leads the work on the delivery of the Employment and Skills strategy which supports the current and future requirements of business but the dual reporting can lead to a duplication of effort. The priorities that underpin this strategy are supported by both public and private sector partners as well as colleges and training providers. One of its roles is to provide governance arrangements for a number of different devolved funding streams.

- “Liverpool City Region Strategic Housing and Planning Board” has secured over £80 million of investment through its joint Local Investment Framework for the delivery of the area’s housing priorities. The Framework helps to identify the
housing opportunities that support economic growth for Greater Merseyside as well as potential funding resources to support delivery.

24. In addition to these four boards, the Merseyside Integrated Transport Authority, supported by its Passenger Transport Executive and Halton Borough Council are responsible for delivering passenger transport services across the Greater Merseyside area, as well as for the development of a two Local Transport Plans for that area. All six local authorities are also highway and traffic authorities with wide ranging powers over the highway network. This splitting of powers and functions presents a very challenging landscape for co-ordinated, long term delivery.

25. As the transport arrangements within the area are so fragmented, the six authorities, local enterprise partnership and Merseyside Integrated Transport Authority have been collaborating on transport issues. Last year in an attempt to improve arrangements for transport delivery over the area, a Local Transport Body was established but its remit is limited and the decision making process for transport still remains fragmented.

26. Whilst these forms of informal partnership working have been in existence and matured over a long period of time, they are not statutory bodies and so have neither functional powers nor the ability to hold funding. The functional powers and budget for strategic transport rests with Merseyside Integrated Transport Authority and Halton Borough Council and economic development functions and budgets remain the responsibility of the six Greater Merseyside authorities. In addition to this, the local enterprise partnership also has a role to play in terms of setting the future economic strategy for the area and prioritising investment.

27. The governance review shows that the lack of a single, streamlined body with functional powers, the ability to hold funding and take strategic decisions across Greater Merseyside means that the potential for growth that exists is not being realised and the area is failing to bring its economy in line with national levels. The review considers that the establishment of a combined authority would allow this integration within a statutory body enabling the authorities and their partners to realise their ambition of a thriving, international economy.

**Case for a combined authority**

28. The governance review considers arrangements for delivering the strategic objectives for the area: economic growth driven by strategic funding, transport, employment, skills and housing.

29. Whilst the existing governance arrangements and models of partnership working for economic development, regeneration and transport reflect the economic geography of the area, the review acknowledges that these arrangements are fragmented and result in ambiguity and overlap around the decision making process. This makes it difficult to align decisions and delivery in a way that would secure maximum economic and social benefit for the area. The review reaches the conclusion that the joint accountability and leadership that a combined authority will provide will reduce the fragmentation and ensure a transparent, quicker and more effective decision making process. The strategic oversight that the combined authority will provide will ensure that the functional economic area will be able to maximise any growth opportunities in full.
30. The governance review highlights that Greater Merseyside has one of the fastest growing economies in the UK. The review goes onto say that whilst the growth that has taken place recently closed some of the economic gap between the area and the rest of the UK, the public sector still dominates the economy. The review acknowledges that the combined authority model could help to shift the economy from its reliance on the public sector by stimulating growth across the private sector which in turn should result in a more sustainable economy for Greater Merseyside.

31. The governance review considered four governance options for Greater Merseyside. The conclusions of these are as follows:

- Status quo/do nothing. The non-statutory arrangements that currently exist make it challenging for decisions to be aligned in a way that could secure maximum economic and social benefit for the area. The lack of a formal link between decision making in relation to economic development, regeneration and transport creates ambiguity and overlap between the roles and functions of existing bodies. These arrangements are no longer enough to deliver the area’s ambitions for growth or demonstrate how Greater Merseyside will fulfil the government’s expectation of collaborative working across a functional economic area. Whilst these informal arrangements have worked well in the past, the review acknowledges that Greater Merseyside is outgrowing its existing governance arrangements and needs a single, financially accountable governance model if it is to capitalise on the growth potential of the area. The option of maintaining the status quo was discounted on the basis that it will not achieve economic growth for the area.

- Establishing a supervisory board. This model of governance is proposed as a joint committee of the local authorities, which would allow the councils concerned to demonstrate effective decision making and political oversight. However, it would only provide a minor improvement on the current arrangements for exercising the delivery of functions relating to economic development and regeneration that currently exist across Greater Merseyside. It would not improve the effectiveness and efficiency of transport delivery or address the fragmented decision making processes that currently exist across the area. The option of establishing a supervisory board was discounted for these reasons.

- An economic prosperity board. This was discounted on the basis that, whilst, as a body corporate it would have a legal personality and be able to take on devolved powers and funding relating to strategic economic development and regeneration, it would not align strategic transport with these. Decisions in relation to transport across the Greater Merseyside area would continue to be made by the Merseyside Integrated Transport Authority across the area of five of the authorities and Halton Borough Council in its area. To ensure that Greater Merseyside achieves the economic vision it has set out, both the governance of economic development and strategic transport delivery need to be aligned.

- A combined authority. This was deemed to be the optimal statutory model for improving economic conditions across Greater Merseyside. A combined authority would bring together strategic decision making powers into a single body. This will improve alignment, coordination and delivery of economic development,
regeneration and transport related initiatives. Aligning strategic priority setting with the accountable body function will allow funding to be effectively targeted at strategic interventions and so maximise growth opportunities for the benefit of the functional economic area.

32. The authorities’ governance review concluded that the establishment of a combined authority would bring together strategic decision making powers into a single body thus improving alignment, coordination and delivery of economic development and transport related initiatives. The establishment of one visible, stable and statutory governance body to drive growth across Greater Merseyside removes the ambiguity and fragmentation that currently exists around the decision making process. As issues will no longer need to be considered or ratified by a number of bodies, the decision making process will become faster and more efficient. This in turn will lead to improvements in the economic conditions of the area as well as in the efficiency and effectiveness of service delivery.

33. The combined authority will be able to provide clarity over priorities and identify issues that could best be tackled across the functional economic area thus removing duplication and overlapping processes. For example by acting as the Integrated Transport Authority for the area, the combined authority will ensure that transport policies are integrated with economic development, employment, skills and housing, that funding is aligned to agreed priorities and delivery is efficient. The six local authorities and the Integrated Transport Authority, are also considering what highways and traffic powers the combined authority may hold for strategic local highways, in order to support growth and improve the effectiveness and efficiency of transport in the area. The Government welcomes this consideration, which has the potential to strengthen transport governance and collaborative working across the functional economic area, in accordance with the principles set out in the Government’s response to the Heseltine review.

34. Formalising the existing relationship with the local enterprise partnership will help to secure long-term effective engagement with business and other sectors, including employment, skills and housing providers as well as providing a place for the private sector at the heart of the decision making process.

35. The establishment of a combined authority will provide a transparent and robust decision making process which will improve the economic wellbeing of the six local authorities as well as that of Greater Merseyside. This will ensure that the functional economic area will be best placed to take advantage of any new powers and resources that may be devolved from central Government. The leaders and mayor of the Greater Merseyside authorities have agreed that the creation of the combined authority will not increase costs to the individual authorities and in the longer term drive efficiency through co-ordination.

36. As a body corporate, the combined authority will be able to act as the accountable body for:

- economic investment funds, including funds allocated by Government to the “Liverpool City Region Local Enterprise Partnership” and EU funds; and
- transport funding, including transport elements of the local growth fund.
This will help to align strategic capacity and support services to deliver economies of scale, efficiencies and greater effectiveness as well as making the best use of the limited Officer resource available at a time when staff numbers are decreasing in the six authorities.

37. The closer partnership working and alignment of strategic priorities that the combined authority will provide will help to drive economic growth and job creation, increase productivity, raise skill levels and support the economy away from its reliance on the public sector into a more private sector led economy. This will ensure that Greater Merseyside will achieve its potential for economic growth, narrowing the £8.2 billion gap in economic output that exists between the area and the rest of the UK

Support for a combined authority

38. Before publishing their scheme, the six Greater Merseyside authorities undertook a consultation on the proposals. This consultation generated some 179 responses, the majority of which came from local authority representatives. There was broad support for the establishment of a combined authority for Greater Merseyside:

- 86% felt it would improve the exercise of statutory functions relating to economic development, regeneration and transport in the area;

  “Existing formal arrangements with limited accountability have been outgrown. The creation of the Combined Authority will build on what has already been achieved, progress regeneration, and supported by the relevant statutory framework will enhance opportunities to provide strategic direction.”

Jon Murphy, Chief Constable, Merseyside Police

- 83% felt it would improve the effectiveness and efficiency of transport;

  “The Combined Authority will help place transport considerations at the heart of economic development, regeneration and visitor economy considerations. This will maximise efforts to align proposals and funding sources and support delivery of shared outcomes.”

Cllr Liam Robinson, Chair, Merseyside Integrated Transport Authority

- 86% felt it would improve the economic conditions in the area.

  “Sefton CVS supports Option 4 and the rationale to develop a Combined Authority. We believe it creates a vital springboard to support the best chance of underpinning sustained growth of our economy. Better connectivity, through an integrated approach to transport, creates efficiencies and enhances effectiveness. A strategic governance approach is essential to achieve transformational change and to acquire the necessary investment to maximise growth and fulfil the potential of people and place in the City Region.”

Angela White, Chief Executive, Sefton CVS
Chapter 3

Issues for consultation

39. Having regard to the proposal submitted by the six councils and the Merseyside Integrated Transport Authority, and his localist policy, the Secretary of State is considering making an Order under the statute which, if Parliament approves, would replace the “Merseyside Integrated Transport Authority” with a combined authority. This would bring together the councils of the metropolitan boroughs of Halton, Knowsley, Sefton, St Helens and Wirral and the City of Liverpool.

40. Under the statute the Secretary of State can make the Order only if, having regard to the councils’ scheme, he considers that establishing the combined authority would be likely to improve the effectiveness and efficiency of transport in the area, the exercise of statutory functions relating to economic development, regeneration and transport in the area and the economic conditions in the area. In making this judgement the Secretary of State would welcome views on this matter from consultees and others in response to this consultation. Chapter 2 of this consultation sets out the views and conclusions of the six councils to which consultees and others may wish to have regard when responding to the consultation.

41. The Secretary of State also recognises in making the Order he must have regard to the need to reflect the identities and interests of local communities and to secure effective and convenient local government. Again the Secretary of State would welcome the views of consultees and others on these matters when responding to the consultation.

42. Finally, were the Secretary of State to make such an Order, he is minded that it should provide for a combined authority with a constitution and functions as described in the Annex to this consultation document. A draft of an Order to give effect to these proposals is at the appendix to the Annex. The Secretary of State would welcome the views of consultees and others on these matters when responding to the consultation.

43. In short, comments are invited on the proposal to establish a combined authority for the area of Greater Merseyside – Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral and in particular:

- on whether you consider that establishing the proposed combined authority would be likely to improve the provision of transport in the area and its effectiveness and efficiency, the provision of economic development and regeneration in the area, and the economic conditions in the area;

- on how establishing such an authority may impact on the identities and interests of local communities and on securing effective and convenient local government;

- on the proposed constitutional arrangements, including whether the proposed name of the combined authority is the most appropriate one, and
functions for a combined authority as set out in the Annex to this consultation paper;

- on how such an authority and the local enterprise partnership can work in a seamless manner to ensure the private sector is ‘hardwired’ into the leadership and decision making for the functional economic area.
Annex

The proposed constitution and functions for the combined authority

Establishment

1. It is proposed that the combined authority would come into existence on 1 April 2014. The authority could be known as the ‘Greater Merseyside Combined Authority’. It would cover the local government areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral - the constituent councils.

2. Merseyside Integrated Transport Authority would be dissolved on the same day and its functions, property, rights and liabilities transferred to the combined authority except those relating to the employees of the Merseyside Integrated Transport Authority which would transfer to the Passenger Transport Executive (Merseytravel). The Merseyside Passenger Transport Executive would remain as the transport executive body of the Combined Authority.

Constitution

3. The combined authority would be made up of seven members in total. Six of these members will be appointed from the elected members of the six constituent councils, Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral councils.

4. In addition to the six members from the constituent councils, the “Liverpool City Region Local Enterprise Partnership” shall also nominate one of its members to be a member of the combined authority.

5. The constituent councils and local enterprise partnership shall appoint/nominate as appropriate, another member to act as a member of the combined authority in the absence of the member appointed as described above – the substitute member.

6. As the economic transformation of the area depends on strong governance, there is an expectation that each constituent council would appoint its leader or elected mayor to the combined authority. In the case of the local enterprise partnership, the expectation is that the Chairman would be nominated/appointed. This provides for decision making at the highest level and sets the strategic direction of the authority.

7. At the first meeting of the combined authority a Chairman and Vice-chairman would be appointed. Members of the combined authority would not be paid for the work they undertake for the authority. However, they may receive allowances for travel and subsistence.

8. Where a member of the combined authority ceases to be a member of their local authority or local enterprise partnership, they would also cease to be a member of the
combined authority and a replacement member would be appointed as soon as possible.

9. A local authority or local enterprise partnership may at any time terminate the appointment of a member or a substitute member appointed by it to the combined authority.

Voting

10. Members of the combined authority shall have one vote each and decisions would be reached by a simple majority of the members of the authority present and voting.

11. Members from the local enterprise partnership would be non-voting members but may be given voting rights on certain issues should the constituent council members of the combined authority resolve to grant these.

12. The transport levy will be voted on by constituent council members only. The determination and review of transitional arrangements relating to transport will require the unanimous support of the constituent council members.

13. The Chairman would not have a second or casting vote. The combined authority will be subject to the revised Transparency Code and to the provisions on openness and access to meetings of local government bodies in the Local Audit and Accountability Bill, if Parliament enacts the legislation.

Funding

Economic development

14. The costs of the combined authority in relation to the exercise of its economic development and regeneration functions and all start-up costs would be met by the constituent councils. These costs will be apportioned between the constituent councils in such proportions as they may agree or, in default of such agreement, on a per capita (population) basis.

Transport

15. Section 74 of the Local Government Act 1998 allows for a combined authority to be given power to issue a levy in respect of its expenses relating to its transport functions. The Integrated Transport Authority already has a levying power and the scheme proposes that the combined authority should be given an equivalent power. This means that the amount to be raised by the levy would be apportioned to the constituent local councils by population size. Given the current different costs associated with transport provision between the Merseyside Integrated Transport Authority councils and Halton Borough Council, the intention is to phase in the levy arrangement. For an initial period (to be determined) a differential levy would be applied for Halton. The Transport Levying Bodies Regulations 1992 will be amended to reflect this new levying regime for the combined authority. These levies, as all levies, will be subject to the
provisions on council tax referendums in the Local Audit and Accountability Bill, if Parliament enacts the legislation.

Functions

16. The primary focus of the combined authority is to manage a significant programme of investment in transport and economic infrastructure, and to influence and align with Government investment, in order to drive economic growth.

Economic development

17. The combined authority would have powers that would allow it to drive strategic economic growth across the functional economic area. It will focus on strategic economic issues such as:

- Setting the strategic economic vision, outcomes and aligning strategic priorities for the area, working closely with the LEP. This includes:
  - setting the economic strategy for the area;
  - setting the long-term strategic plan for housing and regeneration investment to support economic growth.
- Co-ordinating the international economic strategy for the area to cover inward investment trade and export;
- Co-ordinating the inward investment strategy and activity across the area;
- Agreeing an integrated growth plan and investment strategy to deliver the strategic economic vision and outcomes;
- Agreeing a housing spatial plan and long-term investment strategy as part of the Single Local Growth Plan;
- Making decisions with regard to the “Liverpool City Region Investment Framework” to include the Single Local Growth Fund European funding and Growing Places Fund;
- Setting the long-term Employment and Skills Strategy and priorities for the labour market;
- Setting the long-term strategic vision for housing and regeneration investment to support economic growth;
- Acting as the accountable body for a range of devolved funding; and
- Developing a strategic pipeline of priorities to attract financial and wider support to the area.

18. In their governance review and scheme the councils made proposals to Government for the combined authority to take on responsibility for a new model of delivery of employment and skills; including, devolving strategy setting and commissioning from Jobcentre Plus to the combined authority and devolving control and pricing structures of apprenticeships and other employment and skills incentives.

19. Government recognises the strong track record that exists within the area of collaborative working on education and skills and supports the work that the councils are doing with key partners to address the issues that exist locally. However, the Government believes that the continuation of a national welfare system and local Jobcentre Plus network delivers both excellent results and value for money for the
taxpayer. We recognise that providing more freedom for local managers enables them to work in partnership within their areas to identify gaps, reduce or remove duplication and fragmentation in provision and drive local economic growth. All Jobcentre Plus Districts have, therefore, been given more freedom and flexibilities to tailor back to work services to meet the needs of individual claimants and local labour markets. This includes an ability to work with any combined authority to help deliver a more joined up employment and skills landscape.

20. In addition, we are pleased that the councils have shown commitment to the promotion and delivery of apprenticeships and see a key role for local enterprise partnerships and their local authorities in setting skills priorities to support growth opportunities and working in partnership with employers and providers to secure an appropriate response. However, Government does not support the argument for the control and co-ordination role proposed for the combined authority, including for central price setting. The Government has endorsed the Richard Review recommendation that apprenticeship funding should be routed through employers in order to increase their purchasing power and to incentivise them to demand high quality training, better suited to their needs at a more competitive price. The Government will continue its work with the Greater Merseyside councils supported by a recent announcement of £5.9m cash injection to help young people into work. It will also continue developing its existing City Deal for jobs and skills which involves an ongoing element of work looking at the incentives in skills funding.

Transport

21. The transport functions of the Merseyside Integrated Transport Authority would be transferred to the combined authority as well as all the local transport authority functions of Halton Borough Council. The Combined Authority’s role would therefore include strategic transport issues across the area, developing a single Local Transport Plan and agreeing the transport levy and transport investment strategies. Further consideration is being given to the role that the Combined Authority will have in managing the strategic local highway network. Merseytravel, the current Merseyside Passenger Transport Executive, would have all the functions of the Passenger Transport Executive and such additional functions necessary for it to act as the executive for the Combined Authority.

22. In terms of transport related property, rights and liabilities:

- the property, rights and liabilities of the Merseyside Integrated Transport Authority existing at the transfer date would transfer to the combined authority, except those relating to the employees of the Merseyside Integrated Transport Authority which would transfer to Merseytravel;
- the property, rights and liabilities of the Merseyside Integrated Transport Authority would be ring fenced to the five Merseyside authorities, under the terms of a combined authority agreement;
- the property, rights and liabilities of Halton Borough Council related to local transport authority functions would be transferred to the combined authority on terms to be agreed. This would not include the Mersey Gateway Bridge, the Silver Jubilee Bridge and any of the roads that are set out in orders. Halton Council will remain solely responsible for all and any matters relating to any powers, duties,
responsibilities or obligations howsoever arising relating to the delivery, operation, maintenance and any financial matters (including tolling arrangements ) relating directly or indirectly to Mersey Gateway Bridge and Silver Jubilee bridge

**General power of combined authority**

23. The combined authority would have a ‘function related power of competence’ provided to them under Chapter 3 of Part 1 of the Localism Act 2011.

**Scrutiny arrangements**

24. The constituent authorities of the combined authority may establish joint overview and scrutiny arrangements to exercise scrutiny functions over the combined authority and any sub-boards and structures.

25. Each constituent authority will appoint elected members to the joint Overview and Scrutiny Committee.

26. The joint Overview and Scrutiny Committee may appoint sub-committees to deal with matters within its remit.

**Internal scheme of delegation**

27. The combined authority may establish sub-structures and sub-committees and delegate powers and functions where appropriate.

DRAFT STATUTORY INSTRUMENTS

2014 No.

LOCAL GOVERNMENT, ENGLAND

TRANSPORT, ENGLAND

The Greater Merseyside Combined Authority Order 2014

Made - - - - *****

Coming into force - - *****

This Order is made in exercise of the powers conferred by sections 84, 91 and 93 of the Local Transport Act 2008(a) and sections 103 to 105 and 114 to 116 of the Local Democracy, Economic Development and Construction Act 2009(b).

The Secretary of State, having regard to a scheme prepared and published under section 82 of the Local Transport Act 2008 and section 109 of the Local Democracy, Economic Development and Construction Act 2009, considers that the making of this Order is likely to improve –

(a) the exercise of statutory functions relating to transport in the area to which this Order relates;
(b) the effectiveness and efficiency of transport in that area,
(c) the exercise of statutory functions relating to economic development and regeneration in that area, and
(d) economic conditions in that area.

The Secretary of State is satisfied that the area to which this Order relates meets the conditions set out in section 103 of the Local Democracy, Economic Development and Construction Act 2009.

The Secretary of State has consulted—

(a) the metropolitan district councils for the area comprised in the Merseyside integrated transport area,
(b) the councils for the local government areas who are within the area for which the combined authority is to be established;
(c) the Merseyside Integrated Transport Authority,
(d) such other persons as the Secretary of State considered appropriate.

(a) 2008 c.26.
(b) 2009 c.20.
The councils whose areas are comprised in the Merseyside integrated transport area have consented to the making of this Order.

In making this Order, the Secretary of State has had regard to the need to reflect the identities and interests of local communities, and to secure effective and convenient local government.

A draft of this instrument has been approved by a resolution of each House of Parliament pursuant to section 94 of the Local Transport Act 2008 and section 117 of the Local Democracy, Economic Development and Construction Act 2009.

Accordingly, the Secretary of State makes the following Order:

PART 1
General

Citation and commencement
1. This Order may be cited as the Greater Merseyside Combined Authority Order 2014 and shall come into force on [xxxxx].

Interpretation
2. In this Order—
   “the 2009 Act” means the Local Democracy, Economic Development and Construction Act 2009;
   “combined area” means the area consisting of the areas of the constituent councils;
   “the Combined Authority” means the Greater Merseyside Combined Authority constituted by article 3(2);
   “constituent councils” means the councils for the local government areas of Halton, Knowsley, Liverpool, Sefton, St Helen’s and Wirral;
   “the Executive” means the Merseyside Passenger Transport Executive;
   “the ITA” means the Merseyside Integrated Transport Authority;
   “the Halton Council” means the council of the borough of Halton; and
   “Local Enterprise Partnership” means the Liverpool City Region Local Enterprise Partnership.

PART 2
Establishment of a combined authority for Greater Merseyside

Establishment
3.—(1) There is established a combined authority for the combined area.
   (2) The combined authority is to be a body corporate and to be known as the Greater Merseyside Combined Authority.
   (3) The functions of the Combined Authority are those functions conferred or imposed upon it by this Order or by any other enactment (whenever passed or made), or as may be delegated to it by or under this Order or any other enactment (whenever passed or made).
Constitution

4. Schedule 1 (which makes provision about the constitution of the Combined Authority) has effect.

Funding

5.—(1) The constituent councils must meet the costs of the Combined Authority reasonably attributable to the exercise of its functions relating to economic development and regeneration.

(2) The amount payable by each of the constituent councils is to be determined by apportioning the costs of the Combined Authority referred to in paragraph (1) between the constituent councils in such proportions as they may agree or, in default of such agreement, in proportion to the total resident population at the relevant date of the area of each council concerned as estimated by the Registrar General.

(3) For the purposes of paragraph (2) the relevant date in relation to a payment for a financial year is 30 June in the financial year which commenced two years prior to the current financial year.

PART 3
Transport

Abolition and transfer of functions etc.

6.—(1) The Merseyside integrated transport area is dissolved and the ITA is abolished.

(2) Subject to paragraph (3), on the abolition of the ITA—

(a) its functions; and

(b) its property, rights and liabilities

are transferred to the Combined Authority.

(3) On the abolition of the ITA all rights and liabilities (including rights and liabilities in respect of superannuation) arising under contracts of employment with the ITA are transferred to the Executive.

Adaptation of enactments — integrated transport authority

7.—(1) This article has effect in consequence of article 6.

(2) In any enactment (whenever passed or made)—

(a) any reference to an integrated transport area; or

(b) any reference which falls to be read as a reference to such an area,

is to be treated as including a reference to the combined area.

(3) In any enactment (whenever passed or made)—

(a) any reference to an integrated transport authority; or

(b) any reference which falls to be read as a reference to such an authority,

is to be treated as including a reference to the Combined Authority.

(4) Schedule 2 (which amends section 9 of the Transport Act 1968 in consequence of article 6) has effect, but this does not affect the generality of paragraphs (2) and (3).
Transfer of functions — Halton Borough Council

8.—(1) There are transferred to the Combined Authority the functions of the Halton Council under the following enactments—

(a) parts IV and V of the Transport Act 1985(a); and
(b) part II of the Transport Act 2000(b).

(2) Halton Council shall—

(a) after consulting the other constituent councils; and
(b) not later that 1st April 2018,

submit to the Secretary of State proposals for the making of a scheme by the Secretary of State for the transfer to the Combined Authority of specified property, rights and liabilities held, acquired or incurred by the Council for the purposes any of the functions transferred under paragraph (1).

(3) After considering the proposals and any representations made on them by the other constituent authorities, the Secretary of State may, by way of a scheme made under section 115 of the 2009 Act, make such provision as he thinks fit for the transfer of such property, rights and liabilities (whether or not specified in the proposals) as he thinks fit.

Adaptation of enactments

9.—(1) This article has effect in consequence of article 8.

(2) In relation to any function transferred under article 8, any reference in any enactment (whenever passed or made) to a county, or to any class of area which includes a county, is to be treated as including a reference to the combined area.

(3) In any enactment (whenever passed or made) any reference in relation to any function transferred under article 8 to a county council, or to any class of body which includes a county council, is to be treated as including a reference to the Combined Authority.

Passenger Transport Executive

10.—(1) The Executive is to be an executive body of the Greater Merseyside Combined Authority for the purposes of Part 5 of the Local Transport Act 2008 and Part 6 of the 2009 Act and shall be known as Merseytravel.

(2) In the application of section 101 of the Local Government Act 1972(c) (arrangements for the discharge of functions) to the Combined Authority the Executive is to be treated as if it were an officer of the Combined Authority.

Delegation of other transport functions

11.—(1) There are delegated to the Combined Authority the functions of the constituent councils—

(a) under section 2 of the Road Traffic Reduction Act 1997 (duty of principal councils to make reports);
(b) under sections 237A to 237E of the Local Government Act 1972(d) (fixed penalty notices) so far as those provisions relate to the Mersey Tunnel Byelaws 2003(e);
(c) to enter into agreements as if it were a highway authority under section 8 of the Highways Act 1980(f) (and also a traffic authority under the Road Traffic Regulation Act 1984(a) and a street authority under section 49 of the New Roads and Street Works Act 1991.

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(a) 1985 c.67.
(b) 2000 c.38.
(c) 1972 c.70.
(d) Section 237A was inserted by the Local Government and Public health Involvement Act 2007 (2007 c. 28) section 130.
(e) The Mersey Tunnel Byelaws were made by the Merseyside Passenger Transport Authority under Section 102 of the County of Merseyside Act 1980 (1980 c. x) as amended by the Mersey Tunnels Order 1986 (S.I. 1986/297).
(f) 1980 c. 66.
The costs incurred by the Combined Authority in discharging the functions delegated to it by this article shall, except so far as the constituent councils agree otherwise, be defrayed by the Combined Authority.

The costs so defrayed shall, for the purposes of section 74(10) of the Local Government Finance Act 1988, fall to be treated as expenses attributable to the exercise of the Combined Authority’s functions relating to transport.

(4) The functions delegated by paragraph (1)(a) and (b) are not exercisable by the constituent councils either concurrently or instead of the Combined Authority, except so far as the Combined Authority sub-delegates any such functions back to a constituent council.

(5) In the application of section 101 of the Local Government Act 1972 (arrangements for the discharge of functions) to the Combined Authority the functions delegated to the Combined Authority by paragraph (1) are to be treated as if they were functions of the Combined Authority.

**Continuity**

12.—(1) Nothing in this Part of the Order affects the validity of anything done by or in relation to the ITA or the Halton Council in relation to the functions transferred under this Part before 1st April 2014.

(2) There may be continued by or in relation to the Combined Authority anything (including legal proceedings) which—

(a) relates to any of the functions, property, rights or liabilities transferred to the Combined Authority; and

(b) is in process of being done by or in relation to the ITA, or the Halton Council in relation to the functions transferred under this Part, immediately before 1st April 2014.

(3) Anything which—

(a) was made or done by or in relation to the ITA or to the Halton Council for the purposes of or otherwise in connection with any of the functions, property, rights or liabilities transferred;

(b) is in effect immediately before the transfer takes effect, has effect if made or done by or in relation to the Combined Authority.

(4) The Combined Authority shall be substituted for the ITA in any instruments, contracts or legal proceedings which—

(a) relate to any of the functions, property, rights or liabilities transferred; and

(b) are made or commenced before the transfer takes effect.

(5) A reference in this article to anything made or done by or in relation to the ITA includes a reference to anything which by virtue of any enactment is to be treated as having been made or done by or in relation to the ITA.

**PART 4**

Additional functions

**Economic development and regeneration functions**

13.—(1) The functions of the constituent councils set out in Schedule 3 to this Order are exercisable by the Combined Authority in relation to its area.

(2) The functions are exercisable concurrently with the constituent councils.
Any requirement in any enactment for a constituent council to exercise such a function may be fulfilled by the exercise of that function by the Combined Authority.

**Incidental provisions**

**14.** The following provisions shall have effect as if the Combined Authority were a local authority for the purposes of these provisions—

(a) section 142(2) of the Local Government Act 1972 (the power to arrange for publication of information etc relating to the functions of the authority); and

(b) section 222 of the Local Government Act 1972 (the power to prosecute and defend legal proceedings).

**15.**—(1) The Combined Authority shall have the power to exercise any of the functions described in subsection (1)(a) and (b) of section 88 of the Local Government Act 1985(a) (research and collection of information) whether or not a scheme is made under that section.

(2) For the purposes of paragraph (1) of this article, paragraphs (a) and (b) of section 88(1) of the Local Government Act 1985 shall have effect as if a reference to “that area” were a reference to the combined area.

**16.** Section 13 of the Local Government and Housing Act 1989(b) (voting rights of members of certain committees) shall have effect as if—

(a) in subsection (4) after paragraph (h) there were inserted—

(b) “(i) subject to subsection (4A), a committee appointed by the Greater Merseyside Combined Authority;”; and

(c) after subsection (4) there were inserted—

(d) “(4A) A person who is a member of a committee falling within paragraph (i) of subsection (4) or a sub-committee appointed by such a committee shall for all purposes be treated as a non-voting member of that committee or sub-committee unless he is a member of one of the constituent councils as defined by article 2 of the Greater Merseyside Combined Authority Order 2014.”.

Signed on behalf of the Secretary of State for Communities and Local Government

Name
Parliamentary Under Secretary of State

Date
Department for Communities and Local Government

**SCHEDULE 1**

**Constitution**

**Membership**

1.—(1) Each constituent council shall appoint one of its elected members as a member of the Combined Authority.

(2) Each constituent council shall appoint another elected member as a member of the Combined Authority in the absence of the member appointed under sub-paragraph (1) (“the substitute member”).

(3) The Local Enterprise Partnership shall nominate one of its members to be a member of the Combined Authority (“Local Enterprise Partnership Member”).

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(a) 1985 c.51.
(b) 1989 c.42.
(4) The Local Enterprise Partnership shall nominate another of its members to act as a member of the Combined Authority in the absence of the member appointed under sub paragraph (5) (“the substitute member”).

(5) The Combined Authority shall appoint a member nominated by the Local Enterprise Partnership as a member of the Combined Authority (“Local Enterprise Partnership Member”).

(6) The Combined Authority shall appoint another member nominated by the Local Enterprise Partnership to act as a member of the Combined Authority in the absence of the member appointed under sub paragraph (5) (“the substitute member”).

(7) For the purposes of this Schedule any reference to a member is to be treated as including a reference to the Local Enterprise Partnership Member.

(8) A person ceases to be a member or substitute member of the Combined Authority if they cease to be—

(a) a member of the constituent council that appointed them; or

(b) a member of the Local Enterprise Partnership that nominated them.

(9) A person may resign as a member or substitute member of the Combined Authority by written notice served on the proper officer of the Council or the Chair or Vice Chair of the Local Enterprise Partnership (as the case may be) of—

(a) the constituent council that appointed them; or

(b) the Local Enterprise Partnership that nominated them

and the resignation shall take effect on receipt of the notice by the proper officer of the Council or Chair or Vice Chair of the Local Enterprise Partnership (as the case may be).

(10) Where a member or substitute member’s appointment ceases by virtue of sub-paragraph (8) or (9)—

(a) the constituent council that made the appointment must, as soon as practicable, give written notice of that fact to the Combined Authority and appoint another of its elected members in that person’s place;

(b) the Local Enterprise Partnership must, as soon as practicable, give written notice of that fact to the Combined Authority and nominate another of its elected members in that person’s place.

(11) The Combined Authority shall appoint a member nominated under sub-paragraph (10)(b) at the next meeting of the Combined Authority.

(12) A constituent council may at any time terminate the appointment of a member or substitute member appointed by it to the Combined Authority and appoint another of its elected members in that person’s place.

(13) Where a constituent council exercises its power under sub-paragraph (12), it must give written notice of the new appointment and the termination of the previous appointment to the Combined Authority and the new appointment shall take effect and the previous appointment terminate at the end of one week from the date on which the notice is given or such longer period not exceeding one month as is specified in the notice.

(14) The Local Enterprise Partnership may at any time terminate the appointment of a member or substitute member nominated by it to the Combined Authority and nominate another of its members in that person’s place.

(15) Where the Local Enterprise Partnership exercises its power under sub-paragraph (14), it must give written notice of the new nomination and the termination of the previous appointment to the Combined Authority.

(16) The Combined Authority shall appoint a member nominated under sub-paragraph (15) and the new appointment shall take effect and the previous appointment terminate at the end of one week from the date on which the notice is given or such longer period not exceeding one month as is specified in the notice.
(17) For the purposes of this paragraph an elected mayor of a constituent council is to be treated as a member of the constituent council.

Chairman and vice-chairman

2.—(1) The Combined Authority must in each year appoint a chairman and a vice-chairman from among its members and the appointments are to be the first business transacted at the annual meeting of the Combined Authority.

(2) A person ceases to be chairman or vice-chairman of the Combined Authority if they cease to be a member of the Combined Authority.

(3) If a vacancy arises in the office of chairman or vice-chairman, an appointment to fill the vacancy is to be made at the next ordinary meeting of the Combined Authority, or, if that meeting is to be held within 14 days of the vacancy arising, at the meeting following that meeting.

Proceedings

3.—(1) Subject to sub-paragraphs (4) and (5), any questions that are to be decided by the Combined Authority are to be decided by a majority of the members and substitute members, acting in place of members, present and voting on that question at a meeting of the Combined Authority.

(2) Each member, or substitute member acting in that member’s place, has one vote and no member or substitute member has a casting vote.

(3) If a vote is tied on any matter it shall be deemed not to have been carried.

(4) Questions relating to the determination and review of any transitional arrangements on transport require a unanimous vote in favour by all six constituent council members, or substitute members acting in place of those members, to be carried.

(5) Members appointed from the Local Enterprise Partnership will be non-voting members of the Combined Authority.

(6) The proceedings of the Combined Authority are not invalidated by any vacancy among its members or substitute members or by any defect in the appointment or qualifications of any member or substitute member.

Committees

4.—(1) The Combined Authority may appoint one or more committees as an overview and scrutiny committee, or as the case may be committees, of the Combined Authority.

(2) The Combined Authority shall appoint members of each of the constituent councils to any overview and scrutiny committee appointed by the Combined Authority.

(3) Any overview and scrutiny committee appointed by the Combined Authority may not include any member of the Combined Authority.

(4) Any overview and scrutiny committee appointed by the Combined Authority will have the power to—

(a) invite members to attend before it to answer questions;

(b) invite other persons, including members of the public, to attend meetings of the committee;

(c) review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Combined Authority;

(d) make reports or recommendations to the Combined Authority with respect to the discharge of any functions which are the responsibility of the Combined Authority.

(5) The power to review or scrutinise a decision made but not implemented under sub-paragraph (4)(c) includes the power to recommend that the decision be reconsidered by the Combined Authority.
(6) Where any overview and scrutiny committee appointed by the Combined Authority makes a report or recommendation under sub-paragraph (4)(d) the committee may—

(a) publish the report or recommendations;

(b) by notice in writing require the Combined Authority to—

(i) consider the report or recommendations;

(ii) respond to the overview and scrutiny committee indicating what (if any) action the Combined Authority proposes to take;

(iii) if the overview and scrutiny committee has published the report or recommendations under sub-paragraph (6)(a), publish the response.

(7) A notice served under sub-paragraph (6)(b) must require the Combined Authority to comply with it within two months beginning with the date on which the Combined Authority received the reports or recommendations or (if later) the notice.

(8) The Combined Authority shall comply with a notice given under sub-paragraph (6)(b).

(9) Sub-paragraphs (6)(a) and (8) are subject to section 9FG of the Local Government Act 2000 and to any provision made under section 9GA(8).

Records

5.——(1) The Combined Authority must make arrangements for the names of members and substitute members present at any meeting to be recorded.

(2) Minutes of the proceedings of a meeting of the Combined Authority, or any committee or sub-committee of the Combined Authority are to be kept in such form as the Combined Authority may determine.

(3) Any such minutes are to be signed at the same or next suitable meeting of the Combined Authority by the person presiding at that meeting.

(4) Any minute purporting to be signed as mentioned in sub-paragraph (3) shall be received in evidence without further proof.

(5) Until the contrary is provided, a meeting of the Combined Authority a minute of whose proceedings has been signed in accordance with this paragraph is deemed to have been duly convened and held, and all the members and substitute members present at the meeting are deemed to have been duly qualified.

(6) For the purposes of sub-paragraph (3) the next suitable meeting is the next following meeting or, where standing orders made by the Combined Authority provide for another meeting of the authority to be regarded as suitable, either the next following meeting or that other meeting.

Standing Orders

6. The Combined Authority may make standing orders for the regulation of its proceedings and business and may vary or revoke any such orders.

Remuneration

7. No remuneration is to be payable by the Greater Merseyside Combined Authority to its members, other than allowances for travel and subsistence paid in accordance with a scheme drawn up by the Combined Authority.
SCHEDULE 2  
Amendment of section 9 of the Transport Act 1968

1. Section 9 of the Transport Act 1968(a) is amended as follows.

2. In subsection (1)(a)—
   (a) in sub-paragraph (i) after “except Greater Manchester” there is inserted and “Merseyside”;
   (b) the word “and” after sub-paragraph (ia) is omitted; and
   (c) after sub-paragraph (ia) there is inserted—
       “(ib) the metropolitan county of Merseyside together with the borough of Halton shall be the area of a combined authority; and”.

3. In subsection (1)(b)—
   (a) the word “and” after sub-paragraph (ia) is omitted; and
   (b) after sub-paragraph (ia) there is inserted—
       “(ib) in relation to the metropolitan county of Merseyside and the borough of Halton, the Greater Merseyside Combined Authority; and”.

4. In subsections (2) and (3) after “the area of the Greater Manchester Combined Authority” in each case occurring there is inserted “, the area of the Greater Merseyside Combined Authority”.

5. In subsection (5) after “or the area of the Greater Manchester Combined Authority” there is inserted “or of the Greater Merseyside Combined Authority”.

6. In subsection (5A) after “2011” there is inserted “and the Greater Merseyside Combined Authority means the authority of that name constituted by the Greater Merseyside Combined Authority Order 2014”.

SCHEDULE 3  
Economic Development and Regeneration Functions

1. Such functions of the constituent authorities as are exercisable for the purpose of economic development and regeneration in reliance on the general power of competence under section 1 of the Localism Act 2011(b).

2. The power under section 144 of the Local Government Act 1972(c) (the power to encourage visitors and provide conference and other facilities).

3. The duties under sections 15ZA, 15ZB, 15ZC, 17A, 18A(1)(b), of the Education Act 1996(d) and the power under sections 514A and 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age).

4. The duty under section 69 of the 2009 Act (duty to prepare an assessment of economic conditions).

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(a) 1968 c. 73; section 9 was amended by the Local Government (Scotland) Act 1973 (c. 65) Schedule 18, paragraph 1; by the Transport Act 1985 (c. 67) sections 57(1), 58(2), Schedule 3, paragraph 3, Schedule 8; by the Local Government (Scotland) Act 1994 (c. 39) Schedule 13, paragraph 80(2); and in relation to England and Wales only by the Local Transport Act 2008 (c. 26) section 98(4), Schedule 4, paragraph 2 and Schedule 7, Part 4 and by S.I. 2011/908.

(b) 2011 c.20.

(c) 1976 c.76.

(d) 1996 c.56.
5. The duty under section 8(1) of the Housing Act 1985(a) (duty of local housing authorities to consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation).

EXPLANATORY NOTE
(This note is not part of the Order)

This order establishes the Greater Merseyside Combined Authority.

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise functions relating to transport and to economic development and regeneration in their area.

The Secretary of State may only establish a combined authority for an area where a scheme for such an authority has been published under section 109 of the 2009 Act. This order has been made following the publication of such a scheme on 30th September 2013 by the constituent councils whose areas together make up the combined area of the new authority. The scheme is available at: www.knowsley.gov.uk/governancereview.

Part 2 of the Order establishes the new authority, to be known as the Greater Merseyside Combined Authority on [date], and makes provision for its constitution and funding.

Article 4 of and Schedule 1 to the Order make provision for the constitution of the Greater Merseyside Combined Authority. This is supplemental to the provision that is made by Part 1A of Schedule 12 to the Local Government Act 1972 (see paragraph (6A) of that Schedule, as amended by the 2009 Act).

Article 5 makes provision for the funding, by the constituent councils, of those costs of the Greater Merseyside Combined Authority that relate to the exercise of its economic development and regeneration functions.

Part 3 concerns the transport functions of the combined authority. Article 6 dissolves the Merseyside Passenger Transport Authority, abolishes its area and transfers its functions to the Greater Merseyside Combined Authority. Contracts of employment are transferred to the Merseyside Passenger Transport Executive. Article 7 makes general adaptations to primary and subordinate legislation, so that references to an integrated transport authority or area are to be treated as extending to the combined authority and its area and introduces Schedule 2 which makes specific amendments to section 9 of the Transport Act 1968. Article 8 transfers to the combined authority the functions of the Halton borough council under Parts IV and V of the Transport Act 1985 and Part II of the Transport Act 2000 and provides for the submission of proposals for, and the making of, a scheme for the transfer of property, rights and liabilities held, acquired or incurred by that council for the purposes of those functions. Article 9 makes general amendments to primary and secondary legislation affected by the transfer of functions under article 8. Article 10 makes the Merseyside Passenger Transport Executive an executive body of the combined authority and changes its name to Merseytravel. Article 11 provides for the delegation of other transport functions and Article 12 provides for continuity when functions, property, rights and liabilities are transferred under Part 3 of this Order.

Part 4 confers additional functions on the Greater Merseyside Authority. Article 13 confers functions of the constituent councils relating to economic development and regeneration. These are set out in Schedule 3 to the Order and are to be exercised concurrently with the constituent councils. Articles (14) to (16) make some general, incidental provisions relating to the Greater Merseyside Combined Authority to enable it to carry out its functions more effectively.

(a) 1985 c.51.
A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business and the voluntary sector.