

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT COMBINED AUTHORITIES (OVERVIEW  
AND SCRUTINY COMMITTEES, ACCESS TO  
INFORMATION AND AUDIT COMMITTEES)  
ORDER 2016

*Wednesday 11 January 2017*

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**The Committee consisted of the following Members:**

*Chair:* ANDREW ROSINDELL

- |   |  |
|---|--|
| † Cartlidge, James ( <i>South Suffolk</i> ) (Con)           | † Menzies, Mark ( <i>Fylde</i> ) (Con)   |
| † Davies, Chris ( <i>Brecon and Radnorshire</i> ) (Con)     | † Milling, Amanda ( <i>Cannock Chase</i> ) (Con)   |
| † Doyle-Price, Jackie ( <i>Thurrock</i> ) (Con)             | † Percy, Andrew ( <i>Parliamentary Under-Secretary of State for Communities and Local Government</i> ) |
| † Foxcroft, Vicky ( <i>Lewisham, Deptford</i> ) (Lab)       | † Pow, Rebecca ( <i>Taunton Deane</i> ) (Con)  |
| † Grant, Mrs Helen ( <i>Maidstone and The Weald</i> ) (Con) | Smeeth, Ruth ( <i>Stoke-on-Trent North</i> ) (Lab)   |
| † McMahon, Jim ( <i>Oldham West and Royton</i> ) (Lab)      | † Swire, Sir Hugo ( <i>East Devon</i> ) (Con)  |
| † McGinn, Conor ( <i>St Helens North</i> ) (Lab)            | † Warman, Matt ( <i>Boston and Skegness</i> ) (Con)  |
| Mahmood, Shabana ( <i>Birmingham, Ladywood</i> ) (Lab)      | Nehal Bradley-Nepani, <i>Committee Clerk</i>   |
| † Malhotra, Seema ( <i>Feltham and Heston</i> ) (Lab/Co-op) | † <b>attended the Committee</b>  |

# Third Delegated Legislation Committee

Wednesday 11 January 2017

[ANDREW ROSINDELL *in the Chair*]

## Draft Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2016

2.30 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Percy):** I beg to move,

That the Committee has considered the draft Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2016.

It is a particular pleasure to serve under your chairmanship, Mr Rosindell, as I share so many of your views on so many issues.

The draft order, which was laid before the House on 28 November 2016, will, if approved, provide the basis for a consistent and robust approach to accountability in combined authorities across the country. The devolution deals that we have negotiated are bespoke and vary in many ways to reflect local priorities, but the draft order provides for the scrutiny arrangements for the combined authorities that will sit underneath the mayoral structure, and it will enable clear systems of local accountability to be established when Mayors take office following the first elections in May this year.

The draft order creates a clear legal framework for accountability arrangements in each of the combined authorities. In drafting the order, we consulted widely with stakeholders including local areas, the National Audit Office, the Centre for Public Scrutiny and, of course, existing combined authorities. That framework will be supplemented by practical guidance from the Centre for Public Scrutiny about how these arrangements will operate on the ground. We have mirrored as far as possible local authorities' overview and scrutiny arrangements, which anyone who has served on a local council, as I and other Committee members have, will be well aware of, but we have felt the need to go a little further and strengthen some of those provisions.

This is the first piece of secondary legislation to be made under paragraphs 3 and 4(3) of schedule 5A to the Local Democracy, Economic Development and Construction Act 2009. The draft order makes provision for the composition and proceedings of overview and scrutiny committees and audit committees, similar to the provisions in the Local Authorities (Committee System) (England) Regulations 2012 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, which I know colleagues will have read ahead of the debate. If approved, the draft order will come into force after the new combined authority Mayors take office following the elections in May this year.

Importantly, the draft order introduces several membership requirements to ensure representativeness and accountability. The majority of committee members

must be councillors in constituent local authorities. That is really important as we create these new structures and will ensure local accountability. The political balance of the committees' membership must, so far as is practicable, align with that of the constituent councils. Again, that will ensure fair representation.

To ensure the independence of committee chairs—the audit committee chair, and the overview and scrutiny committee chair if an authority chooses to appoint an independent chair to that role—there is a procedure in place to ensure a robust appointment process for the independent members who either chair or sit on committees. Importantly, to ensure the independence of committee chairs where there is an independent Mayor, the chair cannot be from the party that has a majority on the combined authority. Also, at least two thirds of members must be present before business may be transacted at any of these committees.

To ensure clear outcomes, the draft order provides that no member of an overview and scrutiny committee has a casting vote, and that if a vote is tied, it is deemed not to have been carried—something that we saw yesterday in a vote in the other place. As I have said, the draft order also contains important provisions to protect committees' integrity and independence. As in local authorities, certain procedures must be adhered to when appointing an independent person and committees must publish notices of appointments to ensure proper transparency locally. To ensure the overview and scrutiny committee's independence, it cannot include any officer from the combined authority or any of its constituent councils.

The draft order also makes provisions for proceedings at overview and scrutiny committees. Such committees are able to call in decisions in the same way as local government overview and scrutiny committees. They can call in decisions that have been made but not implemented, which then requires the decision to remain unimplemented for 14 days. I made use of that provision a number of times when I was a local councillor and it can be effective. If that procedure is triggered, a meeting must be held to consider the recommendation and any related decisions within 10 days after the Mayor or combined authority receives a recommendation from the committee, and the combined authority must respond to reports and recommendations from the committees within two months. To ensure that the scrutiny process has the proper support to act effectively, the combined authority must designate one of its officers as the committee's scrutiny officer.

I turn briefly to the audit committee. The draft order makes provisions regarding membership, again designed to ensure independence and proper representation, including the appointment of at least one independent person to the audit committee—it is, of course, for combined authorities to determine whether they want more independents on the audit or scrutiny committees. Membership must reflect the political balance of constituent councils and officers from the combined authority and its constituent councils cannot be members of the audit committee.

The draft order ensures that the public can have confidence that elected Mayors are being properly held to account locally on delivering on their manifesto commitments. We believe that the framework in the order, including placing statutory duties and obligations

on combined authorities and the guidance, provide a clear basis for that accountability. The order is important to ensure that we have consistent, robust and transparent accountability in combined authorities. These are new structures and the public need to be assured that the new Mayors or individuals sitting on combined authorities are being properly held accountable. On that basis, I commend the draft order to the Committee.

2.37 pm

**Jim McMahon** (Oldham West and Royton) (Lab): It is a pleasure to serve under your chairmanship, Mr Rosindell. We do not intend to oppose the draft order, which is standard. It brings the combined authorities into line with existing practice in local government, local councils and the outside bodies that respond to those councils. That is the right thing to do. A great deal of power, responsibility and finance has been devolved to combined authorities and it is important that members of the public have confidence that that money is being spent in the right way for the proper reasons and that processes are in place to make sure that people are held to account for their decisions.

I suspect that a lot of people have not been excited by combined authorities, although perhaps I have been. It has been quite a technocratic exercise and is not the type of conversation that we have with friends and family, but the more powers and finance that are devolved and the more difficult decisions that have to be made, the wiser the public will be to the powers of the combined authority.

It is interesting that the order comes at this time. In Greater Manchester, consultation on the Greater Manchester spatial framework will close on Monday. That significant document will potentially mean the loss of a great deal of green space to provide for a population effectively equivalent to a new borough—growth is projected at a quarter of a million people before 2035.

A lot of people do not believe the spatial framework has been developed in a transparent way, do not feel that they have had a route to engage in the process early on and are not quite sure how open the process of scrutiny and transparency will be. At a different time—in 12 months' time, for instance—that would have gone to the overview and scrutiny committee and would have been tested. The evidence base, the recommendations and the submissions from the public would have been reviewed and tested against the final proposals to be submitted to the Secretary of State.

It strikes me that we are in an odd position: people, certainly in Greater Manchester—I accept it is unique given how advanced it is—may well be disadvantaged because of the timing of this. Will the Minister bring forward, or potentially delay, the spatial framework process to allow for a scrutiny process to be put into place, so proper public scrutiny can be given?

On transparency, let us be honest: we might like meeting in dusty community rooms, halls and council meeting rooms, but most members of the public go to work, spend time with their families and are busy. Webstreaming of council meetings and scrutiny meetings within councils has proven to be a success in London and many local authorities across the country; it allows people not only to watch debates live, but to revert back to a debate as a point of reference in future if they need

to. Given the amount of responsibility being devolved to combined authorities, it strikes me that that is a very reasonable thing for the Minister to promote among the combined authorities.

I am pleased that the Centre for Public Scrutiny will play a role. It has a long and distinguished track record of making sure that scrutiny functions are respected, properly resourced and engaged in a proactive way, rather than being seen as an inconvenience by people who are trying to make decisions quickly. Scrutiny can add value to the quality of decisions being made, so I offer that my full support.

In general, it is pleasing to see the development of combined authorities in the way we have this week. These can be very technocratic debates—the two yesterday certainly were—but they are important in building the foundation to provide for proper decision making, proper scrutiny and, hopefully, further devolved powers going forward.

2.41 pm

**Andrew Percy:** I thank the shadow Minister for his warm words and his support for the provision, because it is important. I am also pleased that he is excited by the creation of combined authorities. I, too, get really excited at the creation of combined authorities. We should go out for a pint some time and discuss it; we can probably guarantee that nobody else would want to join us. [*Interruption.*] I heard a “Hear hear!” there.

These bodies are important. They will take powers and money from this place and devolve decision making over them to local communities. As I said in the debate yesterday, it is true that a lot of people in the Dog and Duck are not talking about this, but it is a developing process. As the structures come into place, people start to see that the Mayor they are electing is not only somebody with a chain around their neck who goes around opening schools and doing all of the civic stuff—important though that may be—but somebody with real power. The evidence from London shows that, once the structures are in place, people appreciate that and engage with Mayors more.

Although it is strictly outside the subject of the debate, I will say something about the spatial plan. As I said in the Westminster Hall debate that I responded to on behalf of the Planning Minister, spatial plans can be signed off only if all the constituent members of the combined authority sign it off. Those members are the leaders of each individual council. It is not for me to set that timeframe; it is for that combined authority to determine whether it wants the process to go through their internal overview and scrutiny structures. If any council leader who is a constituent member of that combined authority wants to put that plan through the scrutiny functions in their local authority, that is a matter for them. They can do that today; they do not need to wait for other combined authorities, or for those overview and scrutiny functions, to appear.

**Jim McMahon:** I am not sure that what the Minister has mentioned is quite in the spirit of scrutiny, which allows for members of local authorities and the combined authorities in the measure to hold decision makers to account. Statements from the leaders of the councils on spatial framework scrutiny in Greater Manchester give

*[Jim McMahon]*

me the impression that they themselves will decide whether they want to be scrutinised or not before the decision is made. That does not seem to be in the spirit of the measure. At the moment, there is no requirement for the spatial framework to be passed by the component councils; the requirement is only that it is passed by a majority vote at the combined authority itself. Will the Minister give us some clarity on that?

**Andrew Percy:** I believe each constituent council has to consent to that plan; I will write to the shadow Minister on that. The fact remains that these are not unelected individuals—these are the elected leaders of each local authority that makes up a combined authority, who started this process and who have to agree to it. If they or their constituent councils want to go through the current scrutiny process that they have at the moment, they can do that of course. The situation will be resolved as soon as the elections are undertaken and the Mayor and the overview and scrutiny functions are in place.

It is not possible for me to create a structure now for something that has not yet come into being, but the hon. Gentleman is absolutely right that the plan should be subject to public engagement, as should all major planning decisions. There has been a consultation—again, as I said in the earlier debate, I cannot pretend that lots of people necessarily engage in planning consultations,

just as they have not engaged in the establishment of these combined authorities, but there is that process. The hon. Gentleman made his point in the Westminster Hall debate, and he has made it again.

I agree with the hon. Gentleman about public access, the final issue that he raised. I am more than happy to support and encourage these combined authorities to make their meetings as accessible as possible, be that online or whatever. Live webstreaming meetings involve cost, of course, and it is for each local combined authority to determine its particular processes and how it wants to do that.

When I was on the city council in Hull, we had live webstreamed meetings; I think we got 60 views afterwards, which was the total number of councillors on the council, so I am not sure how well watched they were. However, the meetings were available to people, and ensuring that there is as much accessibility as possible in the process is important. However, we should remember that the majority of people who will make up these overview and scrutiny committees are locally elected councillors, who are, of course, chosen by the people to represent them, and they will do an important job of holding to account the combined authority and the Mayor.

*Question put and agreed to.*

2.46 pm

*Committee rose.*