

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

First Delegated Legislation Committee

DRAFT WEST OF ENGLAND COMBINED  
AUTHORITY ORDER 2017

*Monday 30 January 2017*

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**Friday 3 February 2017**

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

*Chair:* PHIL WILSON

- |   |  |
|---|--|
| † Borwick, Victoria ( <i>Kensington</i> ) (Con)         | † McMahon, Jim ( <i>Oldham West and Royton</i> ) (Lab)   |
| † Bradshaw, Mr Ben ( <i>Exeter</i> ) (Lab)              | † Pawsey, Mark ( <i>Rugby</i> ) (Con)  |
| † Crabb, Stephen ( <i>Preseli Pembrokeshire</i> ) (Con) | † Percy, Andrew ( <i>Parliamentary Under-Secretary of State for Communities and Local Government</i> ) |
| † Debbonaire, Thangam ( <i>Bristol West</i> ) (Lab)     | † Pow, Rebecca ( <i>Taunton Deane</i> ) (Con)  |
| † Doyle-Price, Jackie ( <i>Thurrock</i> ) (Con)         | † Shelbrooke, Alec ( <i>Elmet and Rothwell</i> ) (Con)   |
| † Drax, Richard ( <i>South Dorset</i> ) (Con)           | Smyth, Karin ( <i>Bristol South</i> ) (Lab)  |
| † Foxcroft, Vicky ( <i>Lewisham, Deptford</i> ) (Lab)   |  |
| † Haselhurst, Sir Alan ( <i>Saffron Walden</i> ) (Con)  | Marek Kubala, <i>Committee Clerk</i>   |
| † Jenkyns, Andrea ( <i>Morley and Outwood</i> ) (Con)   |  |
| † McCarthy, Kerry ( <i>Bristol East</i> ) (Lab)         | † <b>attended the Committee</b>  |

# First Delegated Legislation Committee

Monday 30 January 2017

[PHIL WILSON *in the Chair*]

## Draft West of England Combined Authority Order 2017

4.30 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 West of England Combined Authority Order 2017.

It is a pleasure to serve under your chairmanship, Mr Wilson. The draft order, which was laid before the House on 16 January 2017, brings to life the devolution deal that the Government negotiated with the West of England in March last year. We are proceeding with this deal with three councils, Bath and North East Somerset, Bristol City, and South Gloucestershire. North Somerset Council, which was initially a party to the deal, decided that it did not wish to go ahead as a deal partner.

If approved, the order will put in place three essential elements of the deal. First, it will establish a Mayor for the West of England, to be elected by the people of the three constituent council areas. Secondly, it will establish a combined authority, to be chaired by the elected Mayor and with a membership drawn from the three constituent councils. Thirdly, the order will confer important new powers on the Mayor and the combined authority, as agreed in the devolution deal. Those powers will be focused on planning, housing, land acquisition and transport. The overall result will be to create West of England arrangements that are to contribute to the promotion of economic growth across the area, improve productivity and facilitate investment and the development of the area's infrastructure to the benefit of all.

Under the deal, the West of England will receive a devolved transport budget to help to provide a more modern, better-connected network. The deal will allow the West of England to choose how to spend that money in its area. The West of England will also receive new planning and housing powers, and control an urban investment fund of £30 million a year for 30 years, with the aim of boosting growth and prosperity throughout the area.

The draft order is made under the Local Democracy, Economic Development and Construction Act 2009, as amended by the Cities and Local Government Devolution Act 2016. The statutory origin of the order is in the governance review and the scheme that was preferred by the West of England councils, in accordance with the requirements of the 2009 Act. That scheme set out the proposals for the powers to be conferred on the West of England and for the combined authority's governance and funding arrangements.

As required under the legislation, and as with other orders laid before the House, the councils consulted on their proposed scheme. Last September the councils provided the Secretary of State with a summary of the

responses to the consultation. Before laying the draft order before Parliament, the Secretary of State had to consider the statutory requirements of the 2009 Act. The Secretary of State is satisfied that those requirements have been met.

Those requirements are that the Secretary of State considers that the West of England mayoral combined authority, on establishing that body and conferring functions on it, will likely lead to an improvement in the exercise of statutory functions across the West of England area. The Secretary of State also had to have regard to the impact on local government and communities. As required by statute, all three constituent councils have had to consent to the draft order.

The draft order provides for the establishment of the combined authority on the day following the day on which the order, if approved by the Committee, is made. Most significantly, it provides for a directly elected Mayor to be elected on 4 May this year. The Mayor will take office on 8 May for a four-year term. The second election will be held on 2 May 2021.

The new powers conferred under the draft order include a duty on the Mayor to prepare a West of England combined authority spatial development strategy, which must be approved unanimously by all three constituent councils before it can come into being, as well as land acquisition and disposal powers and housing powers, including a compulsory purchase power for the Mayor—the same powers that the Homes and Communities Agency has at present. The order will also require the Mayor to work with the combined authority to draw up a local transport plan. The order provides powers on road improvement and maintenance, and for the Mayor to pay grants to bus operators, ahead of the franchising that we hope to bring into being through the Bus Services Bill.

The powers will enable the West of England to take a strategic approach to driving development and regeneration and stimulating economic growth through the £900 million devolved budget. The order also provides for the necessary constitutional and funding arrangements to support the Mayor and the combined authority. In particular, provision has been made for the three constituent councils to contribute to the funding of the Mayor and the combined authority's activities in an arrangement where councils are in the driving seat of any decision about the level of the contribution. That was done at the request of the three constituent councils.

In conclusion, the order devolves brand-new, far-ranging powers to the West of England and puts decision making into the hands of local people. It also makes good on the Government's manifesto commitment. I therefore commend the order to the Committee.

4.35 pm

**Jim McMahon** (Oldham West and Royton) (Lab): It is a pleasure to serve under your chairmanship this afternoon, Mr Wilson.

Here we are again, seeing the machinery of devolution making progress. Our local leaders are by and large supportive. The quotes that have been published from council and group leaders of different parties are broadly supportive, but they are heavily caveated as well. Although there has been agreement for a devolution deal here, there is still a lot of cynicism about the requirement to have a directly elected Mayor as part of the package. We know that for some people that is a big issue that

still needs to be resolved. Indeed, it has been a barrier for a lot of other devolution deals that have not made it through—a barrier that some simply cannot get over.

I would repeat a statement that I have made several times in Committee and on the Floor of the House: we still demand more from our local areas for devolution than we demand from our own Parliament. We do not expect the Prime Minister or the Chancellor of the Exchequer to be directly elected, but, for a fraction of the power that they hold, we demand that direct elections take place in our areas. If we believe in devolution and in power being distributed closer to the communities that we are there to serve, we need to learn to let go. Part of that is about not putting unnecessary requirements on local areas.

As it happens, there has been consent from the component councils in this case, so it is not for us to block the order, but we want to see progress made on areas where, for whatever reason, a Mayor is not acceptable to those areas. It is wrong that some communities are not being given devolved powers or the investment in housing and infrastructure that we see in devolved areas because of that position.

It is good to see investment in the housing fund. The £30 million is in line with the funding allocated in different areas, although it is over a longer period. It is welcome that the Government are taking a longer-term view on funding and ensuring stability, so that areas can genuinely develop a recyclable fund to ensure housing sustainability in the long term. Will the Minister say whether areas that have already signed up to devolution deals, but which have only a 10-year housing investment fund in place, will have the deal extended in the way that it has been extended in this order?

We need to get the public on side, but there is a long way to go. We might think it is hard to get council leaders to sign up to the deals—we know how painful that can be in some areas—but the public are still not a part of the debate in any meaningful way. The reason why only 1,800 people responded to the public consultation is that they do not feel connected to this flavour of devolution that is taking place. I have a concern—I suspect the Government have the same concern—that because the public have not been brought on this journey, turnout in a lot of areas could be very low. Before the positions can grow and develop, they could be undermined from day one by low voter turnout, affecting the legitimacy of that position.

Finally, we talk about devolved powers, but real power is about the ability to effect change and having the levers of power and control. What we tend to see in a number of the devolution deals agreed so far is not powers being devolved, but local areas almost co-commissioning central Government responsibilities. For example, when we talk about Department for Work and Pensions responsibilities, we are not giving local or combined authorities the power to make changes at a local level; rather, we are effectively asking them to co-commission things such as the Work programme. We talk about health devolution in other areas, but actually it is very narrow devolution and the levers of real change are simply not provided. A lot of the powers that are being devolved are existing powers that are already available to local authorities, whether for policing, fire and civil defence or for transport, in the way that is being packaged in this order.

It is absolutely right that we continue the devolution journey, but we need to accept that we are very early into it. If the principle behind the order and the requirement for a Mayor is about getting the machine going and showing proof of concept, then at some point we will have to come forward with a devolution framework for the whole of England that does not pick areas off against one another, but has an answer from the Government—the Opposition will do our bit too—to ensure that every area gets the type of devolution that is currently available only in some areas.

4.40 pm

**Kerry McCarthy** (Bristol East) (Lab): I share the concerns expressed by my hon. Friend the Member for Oldham West and Royton, speaking from the Labour Front Bench, about how the process has been handled and the lack of buy-in from the general public. I do not think that it is an overstatement to say that this has been rather forced on councils in the West of England. When we chose to have a directly elected Mayor in Bristol, we did so in a referendum—I think we were the only city to do so, out of the 10 that had referendums; the others all said no. That has paid off to the extent that, although it was an uphill struggle to educate people about the Mayor's powers, Marvin Rees as Mayor of Bristol now has direct accountability to the local people. They look to Marvin for leadership—they think he is responsible for everything that goes wrong, from a bin not being emptied to a hole in the road. That is what a mayoral system ought to be about: knowing who to point the finger at.

I worry that there will be an incredibly low turnout at the election on 4 May, because we will not have that buy-in. One thing that we always hear people say in Bristol—my hon. Friend the Member for Bristol West will echo this, I am sure—is that we do not want a return to the days of Avon, when there were four local authorities. We know that North Somerset is not coming in on it, but people do not think of those days fondly.

I say that this policy was forced on us because, yes, we are getting something out of it, but it was the only game in town. We are being offered £30 million a year for 30 years, which I think it is somewhat misleading to describe as a £900 million budget, because it is stretched over a very long period. At the moment, the Mayor of Bristol is having to find £100 million of cuts over the next five years, so £30 million a year spread over a much wider area smacks of giving with one hand and taking with the other. I have my doubts about that, and I place on record my concerns.

For this devolution settlement to work, it has to mean real powers for the local area. It has to mean that the role of the current Mayor of Bristol is not diminished—it is about working with the metro mayor. It has to be properly resourced, because there is no point in having these powers without the finances to use them. We are about to put through a budget in Bristol that will have to cut services almost to breaking point. This is not where I would be if we had been given more choice in the matter.

4.43 pm

**Thangam Debbonaire** (Bristol West) (Lab): I echo and add my support to what my hon. Friend the Member for Bristol East said. The Minister speaks of growth,

[Thangam Debbonaire]

housing, powers and funding—I believe the figure was £900 million—for transport and local road improvements. Those are all great things, but why do we need a metro mayor tagged on to the end of it?

People do not want this. There has not been a clamouring for it in the same way that there was for a Bristol Mayor. The connection between the Mayor and the city is quite straightforward in Bristol—it is a whole city and it has its own Mayor—whereas there is no real identity of the West of England, other than for those of us who are involved in politics. People on the ground in North Somerset, Bristol or South Gloucestershire do not think of themselves as being part of the West of England local enterprise partnership. People on the ground have MPs, city councillors and an elected Mayor of Bristol. Our councils already work together and talk to each other—they are very responsible people. What is more, we can unelect them if we do not think they are doing a good job of spending the £900 million that is to be allocated in the West of England devolution deal.

Adding a metro mayor to the deal adds another layer that people do not want. They do not want to return to CUBA—the county that used to be Avon. It is an acronym with a fun side to it, but we do not want it. We got rid of it. We actually turned the Avon County Council house into a hotel. We do not want to go back there, but we have been held to ransom. Councillor colleagues who voted to accept this deal told me that they did so reluctantly and resignedly. They had to accept yet another election that local people do not want, do not understand and probably will not turn out for. There simply will not be the accountability that the Minister probably hopes that having an elected metro mayor will generate. We already have accountability through our elected councillors and our elected Mayor.

I am glad that we are getting the money. I am not going to stand in the way of us getting it, so I am not going to vote against the order, but I want to put on the record the fact that the concerns of the people of Bristol do not appear to have been answered. Will the Minister explain to us why we have to have a metro mayor to make this work? We have got competent councillors who can do it.

4.45 pm

**Andrew Percy:** I think what we have heard this afternoon is mild enthusiasm from the Opposition for this devolution deal. I will try to respond to all the points raised. We have discussed many orders on the issue of elected Mayors. I will rehearse the arguments once again in a moment, but first I want to deal with some of the comments of the hon. Member for Oldham West and Royton.

On the housing fund under the deal, it is for each individual deal to negotiate what it wishes with the Government, although of course we are open to further discussions in the future. Each arrangement is bespoke; they are all very different. Almost every order that I bring before Committee is different from the previous one precisely because we have negotiated very bespoke deals.

The hon. Gentleman also mentioned public engagement, which we have discussed before. As I have said before, no matter how much effort we put in here, devolution

simply is not going to be the talk of the Dog and Duck this Friday evening. Once the deals are in place, it will be for the people who have been elected and for the bodies, when they are in existence, to go out there and prove to the public that they are delivering what the public expect of them. My Department has committed a budget to publicise the elections, the Mayor of Bristol has been out doing drop-ins and there has been a whole range of other consultations on the deal. Once the bodies are in place and the Mayors are in existence, they will be able to prove to their local communities what they are delivering.

**Thangam Debbonaire:** While devolution may not be the talk of the Dog and Duck, potholes in roads certainly are. When people see a pothole in their road, they tend to blame the council. When we have this metro mayor layer of accountability, or non-accountability, people will still blame the council even though it might be the responsibility of some other part of local government that they do not understand.

**Andrew Percy:** The councils will still be responsible for filling potholes under the devolution deal, so we can be clear about that.

We have discussed the issue of elected Mayors many times before when considering various of these orders, but the problem that we always get to is that nobody is able to propose a better alternative. The hon. Member for Bristol West said, “Oh well, we can leave it to the combined authority leaders,” but their accountability and legitimacy comes from being elected on a turnout of about 30% of the electorate in each of their constituent councils, so I am not sure that would necessarily deliver more legitimacy.

The problem is that not one of the local authority leaders who sits on the combined authority is elected across the geography over which these powers will be exercised. The public have to be able to hold somebody to account across the entire geography for what is being exercised in their name. The truth is that, although there may be good relationships now among the various local authority leaders, it is not unknown for neighbouring councils sometimes to come into conflict. Now, I am sure that will never happen in the West of England—I am sure the councillors and leaders there have a different approach—but I have seen it happen in other parts of the country, including my own area. That is why having somebody who sits above them and is elected directly by the people would give the public direct accountability.

I want to make it clear to the hon. Members for Bristol East and for Bristol West that this is not at all about bringing back Avon. As someone who represents an area that used to be in Humberside, I understand those sensitivities. When we talk about a devolution deal for the Humber, the first question that comes back is, “Is this the return of Humberside?” I understand that concern, and I want to make it absolutely clear that this is not about Avon. The local authorities and the ceremonial counties will all remain unchanged by this deal.

Nor is it the case that we have forced Mayors on to every devolution deal. We have negotiated a deal with Cornwall, for example, that does not have a Mayor. As part of the negotiations, the local council leaders ask for things and central Government require things. We have

said, “If you wish to have the maximum powers and this gain-share funding”—the extra £30 million a year, £900 million over the period—“we expect a direct line of accountability to the public for that money.” As I have said, not a single member of the combined authority is directly elected by the whole geography over which that cash and those powers will be exercised. That is why we made having Mayors a requirement of the process to obtain the maximum devolution deal in terms of powers and funding.

I think I have dealt with most of the points that have been made, other than that made by the hon. Member for Bristol East about resourcing. The order states that the resourcing of the Mayor’s office is something that

the three local authorities will agree between them. She also mentioned the role of the current Mayor. I want to make it absolutely clear that the Mayor of Bristol’s powers are in no way affected by the order. The Mayor will continue to exercise those powers in the same way, subject of course to the elements of the devolution deal regarding the spatial strategy sitting above the local plan and all the rest of it. The Mayor’s responsibilities will not be altered.

*Question put and agreed to.*

4.51 pm

*Committee rose.*

