

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Second Delegated Legislation Committee

DRAFT CAMBRIDGESHIRE AND  
PETERBOROUGH COMBINED AUTHORITY  
ORDER 2017

*Tuesday 21 February 2017*

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**Saturday 25 February 2017**

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

*Chair:* GRAHAM STRINGER

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|--|--|
| † Dakin, Nic ( <i>Scunthorpe</i> ) (Lab)                                   | † Percy, Andrew ( <i>Parliamentary Under-Secretary of State for Communities and Local Government</i> ) |
| † Davies, Byron ( <i>Gower</i> ) (Con)                                     | Reynolds, Emma ( <i>Wolverhampton North East</i> ) (Lab)   |
| † Elphicke, Charlie ( <i>Dover</i> ) (Con)                                 | † Selous, Andrew ( <i>South West Bedfordshire</i> ) (Con)  |
| † Griffiths, Andrew ( <i>Lord Commissioner of Her Majesty's Treasury</i> ) | Smyth, Karin ( <i>Bristol South</i> ) (Lab)  |
| † Harris, Rebecca ( <i>Castle Point</i> ) (Con)                            | † Vickers, Martin ( <i>Cleethorpes</i> ) (Con)   |
| † Howarth, Sir Gerald ( <i>Aldershot</i> ) (Con)                           | Winnick, Mr David ( <i>Walsall North</i> ) (Lab)   |
| † Howlett, Ben ( <i>Bath</i> ) (Con)                                       | † Zeichner, Daniel ( <i>Cambridge</i> ) (Lab)  |
| † Jayawardena, Mr Ranil ( <i>North East Hampshire</i> ) (Con)              | Katya Cassidy, <i>Committee Clerk</i>  |
| † McMahon, Jim ( <i>Oldham West and Royton</i> ) (Lab)                     | † <b>attended the Committee</b>  |

## Second Delegated Legislation Committee

Tuesday 21 February 2017

[GRAHAM STRINGER *in the Chair*]

### Draft Cambridgeshire and Peterborough Combined Authority Order 2017

8.55 am

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

That the Committee has considered the draft Cambridgeshire and Peterborough Combined Authority Order 2017.

It is a pleasure to serve under your chairmanship, Mr Stringer. The draft order, which was laid before the House on 23 January, will implement three key elements of the devolution deal negotiated between the Government and the seven councils in the Cambridgeshire and Peterborough area: Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council. First, it will create the position of a directly elected Mayor for Cambridgeshire and Peterborough who will be accountable to the people. Secondly, it will establish a combined authority chaired by the elected Mayor with its membership drawn from the seven constituent councils. Thirdly, it will confer significant new powers and budgets on the Mayor and the combined authority, as set out in the devolution deal, notably for planning, housing and transport. The draft order will result in arrangements for Cambridgeshire and Peterborough that, in accordance with the deal, will materially contribute to the promotion of economic growth and regeneration throughout the area, improve productivity, facilitate investment, improve the area's infrastructure and—all being well—drive up housing supply.

The Cambridgeshire and Peterborough devolution deal is built around the directly elected Mayor, who will be the necessary focus point of accountability when major new budgets and powers are devolved. It is one of a number of deals that we are implementing throughout the country in fulfilment of our manifesto commitment. Through the deal, Cambridgeshire and Peterborough will gain control over a new £20 million-a-year funding allocation for 30 years, which will be invested in the Cambridgeshire and Peterborough single investment fund with the aim of boosting economic growth, a £100 million housing and infrastructure fund, and an additional £70 million over five years, ring-fenced to meet the housing needs of the greater Cambridge area. Cambridgeshire and Peterborough will also receive powers over strategic planning, the responsibility to create a non-statutory spatial framework for the area, and a devolved transport budget and responsibility for an identified key route network.

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. Its origin is in the governance review and scheme prepared by Cambridgeshire and Peterborough Councils in accordance with the legislation. The scheme sets out proposals for powers to be conferred on a combined authority for the area and for its governance and funding arrangements.

As is required in all such cases—the shadow Minister can attest to that from his knowledge of all the other combined authority orders that we have implemented—the councils had to consult on the proposals in the local area. The consultation ran from 8 July to 23 August 2016 and a summary of the responses to it was provided to the Secretary of State. For the draft order to be laid before the House, he had to be satisfied that the statutory tests were met; the fact that we are here this morning is proof that he considers that they were, and that the conferring of these functions is likely to lead to an improvement in the exercise of the statutory functions in Cambridgeshire and Peterborough. The seven constituent councils have also consented to the draft order.

The order provides for the establishment of a combined authority

“on the day after the day on which it is made.”

It also provides for a directly elected Mayor, who will be elected on 4 May this year and will take office on 8 May. The next election will be held in May 2021. In summary, the new powers enable the Mayor to create a strategic transport plan and confer on the combined authority the function to maintain a key route network—again, that will be exercised by the Mayor—as well as economic and regeneration functions. They also enable the Mayor and the combined authority to create a non-statutory spatial plan by conferring a general power of competence on them. Finally, they confer on the combined authority public authority functions relating to the devolved transport budget to be exercised by the Mayor.

The new powers will provide the combined authority and the Mayor with the powers needed to support the effective use of the new devolved budgets, which I have highlighted. The order also provides for the necessary constitutional and funding arrangements to support the Mayor and the combined authority. In particular, provision is made for the seven constituent councils to contribute to the cost of funding the Mayor and the combined authority's activities.

In conclusion, the order devolves new wide-ranging powers to Cambridgeshire and Peterborough, puts decision making into the hands of local people and will help the area to fulfil its longer term economic and social ambitions. I therefore commend it to the Committee.

9.1 am

**Jim McMahon** (Oldham West and Royton) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. I am pleased that we are discussing another devolution deal that is coming to fruition and that the local authorities in the areas consent to the proposals, which is why we are discussing them today.

Perhaps we need to go a bit further back to see why we are here at all. This was part of a wider devolution deal involving 22 councils across the East Anglia area. That came from the Government trying to impose their vision of what a devolved settlement could be, with extremely high bars for what was and was not acceptable, and extremely high expectations about direct accountability

in a way that we do not see in Parliament. Rightly, councillors in the area were not happy with the settlement. People said, “Why are you expecting more from a local authority in terms of accountability than you expect from the UK Parliament?” We do not have a directly elected Prime Minister or Chancellor of the Exchequer, and the Secretary of State, who continues to build his power base through a number of Bills that are coming through, is not directly elected either. However, for posts with a fraction of that power, the Government are demanding that direct elections take place in areas across the country. Moreover, they are demanding that the construct of those combined authority areas bears little relationship to community identity or historical partnership working in those areas.

There was a great deal of sense in Greater Manchester, which has a long history of working together, and not just before the county was disbanded, but since with the Association of Greater Manchester Authorities. Incrementally, ever more joint working was taking place and people were coming together. That is not the case in a great deal of the combined authority arrangements that are being introduced. They are very much artificial constructs that have been bolted together to try to justify the scale of devolution that the Government want. I repeat my fears from previous statutory instrument Committees: turnout could well be affected by people not having a connection to the posts being imposed.

I commend the councils in the area concerned for the consultation that was carried out. It had 4,000 responses, which is significantly more than we have seen in other areas, as was referred to in the councils’ summary document. However, there is a lot of cynicism about what the Mayor could be and what powers will really be devolved. We talk a lot about the devolution of schools—that has been covered in detail in reports in the public domain—but almost nothing has been said about the fact that education responsibilities are being taken away from the same seven local authorities in those areas. The Government need to clarify whether they are really willing to let go in order to let areas develop their own public services and economies, or whether the centre still wants to grab control back from local areas.

I am pleased to see that Cambridge City Council has managed to secure money in the devolution deal; the documentation that we have seen states explicitly that £70 million will be spent on a new generation of council housing. Many Labour councils throughout the country will look at that with a degree of jealousy, because many of them have consistently been restricted and blocked by the Government from bringing in new generations of council housing.

I have a number of questions for the Minister. First, is there a real desire to see genuine devolution of education, skills and training to local authorities? Will that include the reversal of the centralising nature of education in this country? Will the powers gifted under this devolution agreement be offered more widely, so that other areas can be given the opportunity and the funding to build a new generation of council housing?

Moreover, will the Government commit in the very near future—next week would be a good time, if the Minister has time on his hands after we deal with business rates this week—to introducing a framework of devolution in England that is clearly understood and available for all? There is now a significant kickback

from areas—not just urban areas but Conservative shires—that do not feel that devolution is on offer to them, either because their community does not meet the requirements for a directly elected Mayor or because the artificial construct of a combined authority does not meet their aspirations for their areas or local economies. We cannot have a vision for a devolved England if we do not have a framework for it.

I ask the Minister to clarify those points. We do not intend to vote against the draft order. In the spirit of championing devolution, we look forward to seeing more devolved settlements in future.

9.7 am

**Andrew Percy:** It is always a delight to debate the future of devolution and the position of the Mayor with the shadow Minister, as we have done when considering every single such statutory instrument, and as we probably will when we debate the next draft order this afternoon. I welcome what I think is his tacit support for the deal and I will try to respond briefly to his points.

The shadow Minister compared the directly elected Mayor with the UK Parliament. As I keep making clear whenever we debate these statutory instruments, and as I will no doubt have to keep making clear in future such debates, the difference is that Parliament is elected from across the whole United Kingdom and is accountable for the decisions made throughout the country, whereas for these devolution deals there is nobody elected from or accountable for the entire geography of the area. When maximum powers and budgets are being devolved—shared funding is an example—we insist on having somebody accountable for and elected by the whole area, which would not be the case if we simply left it up to the combined authorities. His analogy with Parliament falls down at that point.

The shadow Minister spoke about the history of local authorities working closely together in Manchester. Manchester is probably the best example in England of authorities working together over a long period. For the Cambridgeshire and Peterborough deal, we have had to apply the statutory tests, which require that the area covers a functional economic area and that it improves the function and exercise of statutory powers. Both of those tests have been met. He also spoke about the scale of devolution. All I will say about that is that we have an investment fund of £20 million a year, a £100 million housing and infrastructure fund and a £70 million fund specifically ring-fenced for Cambridge City Council. That is substantial and very real devolution.

The shadow Minister asked about skills funding. As he will be aware from previous debates, a number of deals include the devolution of post-16 or post-19 skills funding. As one would expect, there is still a national policy on our education system, but the two do not necessarily run contrary to each other. We have made good on our pledges on devolution in the area of skills.

**Jim McMahon:** Does the Minister agree that there could be a compromise position? We could meet the objectives of having regional schools commissioners and of having devolved arrangements by allowing the boundaries for regional schools commissioners to be coterminous with those for combined authorities.

**Andrew Percy:** The problem with that is that we do not have devolution deals agreed in every location, so there will always be a different approach in different parts of England. Each deal is bespoke and we have negotiated different arrangements for post-16 and post-19 skills funding in each of them, as the shadow Minister will have seen.

The shadow Minister raised the devolution offer for England more generally. We have always made it clear that we take a bottom-up approach and that if areas want to come and discuss proposals with us, we will always be open to them. However, a lot of areas have decided that they do not want to proceed with devolution offers and deals. Other arrangements are available to such areas that might better meet their needs, including unitarisation or the merging of councils, but that is for the areas themselves to determine.

Finally, the shadow Minister spoke about turnout. As we have discussed several times in debates, the Department has put money into promoting these elections in May. In previous debates I have given the example of the mayoralty of London: people were not as enthusiastic about the first mayoral elections as one might have hoped, but they have become much more enthusiastic as the Mayor's role has developed and grown in importance. These are new roles, and I am sure that local people will understand their importance once they see that the Mayor has significant powers and access to significant finance. We will do everything we can, along with the Electoral Commission and the councils themselves, to encourage people to take part in the May elections. These are substantial positions and the people elected to them will have access to quite substantial powers and budgets.

9.12 am

**Andrew Selous** (South West Bedfordshire) (Con): I do not intend to detain colleagues for long, but I have two brief questions and an observation. First, lest anyone watching the proceedings should think that the House does not take its scrutiny role seriously, let me say that I believe there is a mistake in the explanatory memorandum—on page 4, at line 6 of paragraph 7.3—which refers to something that happened on 8 November 2017. Perhaps the Minister could ask his officials to correct that, so that the electronic version is correct.

I certainly support the draft order, which seems to have broad local support. However, speaking as someone whose local authority area is not in a combined authority, could I ask the Minister to explain whether the local authorities underneath the new body that we are setting up will be slimmed down to some degree—or are we just creating a new structure without taking anything away? I am concerned about the totality of the public sector and how we pay for it.

I see that the Norfolk and Suffolk combined authority will not go ahead, because the Borough Council of

King's Lynn and West Norfolk was not happy with it. Will the Minister briefly give us his thoughts on whether individual district councils should continue to have the power of veto when there is broad support for combined authorities?

9.14 am

**Andrew Percy:** I can only apologise for the mistake in the date in the explanatory memorandum, although I have not been able to find it myself. The Opposition Whip, the hon. Member for Scunthorpe, is a former teacher, like me; I am sure that we are both disappointed not to have spotted that mistake for ourselves, but I am delighted that someone else did.

On the creation of a new structure, we must remember that the combined authority is made up of the local authorities. We are not creating a new elected body to sit as part of the mayoral combined authority; it is the local authorities working together and pooling their resources for the good of the local area. I therefore do not see it as creating a wholly new structure on top.

My hon. Friend the Member for South West Bedfordshire tempts me down the route of talking about what happens in two-tier areas, as in this deal, and whether the local authorities underneath the structure might want to be “slimmed down”—a beautiful way of raising the prospect of unitarisation or of councils merging, which we know can be very controversial. All I can say is that that is an issue for the local authorities. If they wish to pursue a route of unitarisation or merger, it is for them to come forward with proposals for us to consider. We certainly do not require, as part of the deal, any change to governance structures beneath the new mayoral combined authority, but it is something that can be promoted locally.

On Norfolk and Suffolk, my hon. Friend is absolutely right that—

**The Chair:** Order. This is fairly precisely defined secondary legislation relating to Cambridgeshire and Peterborough, so I would be grateful if the Minister stuck to that matter. I have tried to be relaxed about this.

**Andrew Percy:** I would be as delighted as you, Mr Stringer, if we could keep the debate as narrow as possible. All I will say in response, therefore, is that it is a requirement of the legislation that all local authorities in a devolution deal area consent to the creation of the combined authority. That has happened in the case of Cambridgeshire and Peterborough; in other areas it has not. Nevertheless, the legislation is clear that we require 100% consent to create the combined authority.

*Question put and agreed to.*

9.17 am

*Committee rose.*