

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

First Delegated Legislation Committee

DRAFT TEES VALLEY COMBINED AUTHORITY  
(FUNCTIONS AND AMENDMENT) ORDER 2017

*Monday 13 March 2017*

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**Friday 17 March 2017**

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

*Chair:* Ms KAREN BUCK

- |   |  |
|---|--|
| † Blenkinsop, Tom ( <i>Middlesbrough South and East Cleveland</i> ) (Lab) | † Penrose, John ( <i>Weston-super-Mare</i> ) (Con)   |
| † Doyle-Price, Jackie ( <i>Thurrock</i> ) (Con)                           | † Percy, Andrew ( <i>Parliamentary Under-Secretary of State for Communities and Local Government</i> ) |
| † Fernandes, Suella ( <i>Fareham</i> ) (Con)                              | † Pow, Rebecca ( <i>Taunton Deane</i> ) (Con)  |
| † Foxcroft, Vicky ( <i>Lewisham, Deptford</i> ) (Lab)                     | † Scully, Paul ( <i>Sutton and Cheam</i> ) (Con)   |
| Goodman, Helen ( <i>Bishop Auckland</i> ) (Lab)                           | † Turley, Anna ( <i>Redcar</i> ) (Lab/Co-op)   |
| † Gove, Michael ( <i>Surrey Heath</i> ) (Con)                             | † Warburton, David ( <i>Somerton and Frome</i> ) (Con)   |
| Hoey, Kate ( <i>Vauxhall</i> ) (Lab)                                      |  |
| † Holloway, Mr Adam ( <i>Gravesham</i> ) (Con)                            | Jonathan Whiffing, Joe Watt, <i>Committee Clerks</i>   |
| † McMahon, Jim ( <i>Oldham West and Royton</i> ) (Lab)                    |  |
| † Morris, Anne Marie ( <i>Newton Abbot</i> ) (Con)                        | † <b>attended the Committee</b>  |

# First Delegated Legislation Committee

Monday 13 March 2017

[MS KAREN BUCK *in the Chair*]

## Draft Tees Valley Combined Authority (Functions and Amendment) 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 Tees Valley Combined Authority (Functions and Amendment) Order 2017.

It is a pleasure to serve under your chairmanship, Ms Buck. The order was laid before the House on 6 February 2017. Veterans of the previous statutory instrument Committee on Tees Valley only three weeks ago will remember that I mentioned that we had laid another order to confer powers on the Mayor and the combined authority. The order we are discussing this afternoon does just that. This is yet another important step on the route to implementing the devolution deal that the Government agreed with Tees Valley in October 2015.

The order will confer on the combined authority powers to be exercised by the Mayor. Those include the power to procure a local transport plan for the area and to control and allocate a devolved transport budget. The draft order also provides that the functional power of competence, which is already exercisable by the combined authority, is also exercisable by the Mayor. The draft order confers various additional powers on the Tees Valley combined authority relating to transport and housing, and makes funding and constitutional provisions to support the powers and functions conferred.

The implementation of the devolution deal agreed between local leaders and the Government has already seen three orders made in relation to the Tees Valley. First, we made the Tees Valley Combined Authority Order 2016, which established the combined authority in April 2016. Secondly, we made the Tees Valley Combined Authority (Election of Mayor) Order 2016, which created the position of Mayor for the Tees Valley, with the first election to be held on 4 May this year. Thirdly, as I mentioned at the start, we made the Tees Valley Combined Authority (Functions) Order 2017, which enables the establishment of a mayoral development corporation in the Tees Valley combined authority area. That will be the first one outside London. I wholeheartedly welcome it and pay tribute to all those in the Tees Valley who have worked towards instituting it.

Today's order is made under the Local Democracy, Economic Development and Construction Act 2009, as amended by the Cities and Local Government Devolution Act 2016. As required by the 2016 Act, along with the order we have laid a report that provides detail about the public authority functions we are devolving to the combined authority. The statutory origin of the order is the governance review and scheme prepared by the combined authority together with the five constituent councils: Darlington, Hartlepool, Stockton-on-Tees, Redcar

and Cleveland, and Middlesbrough. That scheme set out the proposals for the powers to be conferred on the combined authority, some of which are to be exercised by the Mayor, and for funding and constitutional provisions to support the powers and functions conferred.

As provided for by the 2009 Act, the combined authority and all the councils consulted on the proposals in their scheme. That consultation ran for six weeks, until August last year. Before laying the draft order, the Secretary of State considered the statutory requirements in the 2009 Act and is satisfied that they have all been met. The Secretary of State considers that conferring the functions on the combined authority would likely lead to an improvement in the exercise of the statutory functions, which is one of the statutory tests. He has also had regard to the impact on local government. Furthermore, as required by the legislation, all five constituent councils have consented to the making of the order, as has the combined authority.

The order will confer the following powers on the combined authority, to be exercised by the Mayor. First, it will confer the power to pay grants to the five constituent councils of the Tees Valley combined authority, with the condition that the Mayor has regard to the desirability of ensuring that the councils have sufficient funds to discharge their highways functions effectively. Secondly, we are devolving the power to produce a local transport plan for the area. The order also provides for the functional power of competence, which is already exercisable by the combined authority, to be conferred on the Mayor.

Finally, the order confers various powers on the combined authority, including powers to provide local passenger transport services, which are already delegated to the combined authority, and the duty to review housing need in the area. It also provides funding and constitutional provisions to support the conferred powers and functions, including the establishment of an independent remuneration panel to recommend the allowances of the Mayor. If approved, the order will come into force on 8 May, when the Tees Valley Mayor takes office, with the exception of the provision relating to the establishment of an independent remuneration panel, which will come into force on the day after the order is made, which will enable the combined authority to make the necessary arrangements now.

The order devolves new powers to the Tees Valley combined authority, giving effect to the devolution deal we negotiated with the five local authorities in the combined authority, which we believe will help the area to fulfil its long-term economic and social ambitions. I pay tribute—I always do with such orders—to the local authority leaders, councillors and officers who have put so much work into bringing the devolution deal together and who are working closely for the betterment of their local area. The order is a significant milestone in giving effect to the devolution deal that we have negotiated. We hope that it will lead to a more balanced economy, improved housing supply and economic success across the area.

4.36 pm

**Jim McMahon** (Oldham West and Royton) (Lab): It is a pleasure to serve under your chairmanship, Ms Buck. We have considered a number of similar orders before, and there is always the danger of repeating previous

comments. I will save you and other Members from that pleasure and cut to the substance of my views on where we are now.

There has been a distinct lack of public engagement in this process. The point has been made a number of times, not only by me but by several other Members and local authorities, about how best to engage the public in devolution discussions, particularly when a mayoral election is hard-wired into the agreement and we expect the public to turn out to vote for those with ambitions to hold that office. I therefore cannot say that it is anything less than disappointing to see such a low turnout for the consultation on these changes. Around 2,000 consultees responded to the local authorities' consultation, but just 11 members of the public responded to the Government's consultation; of a population of 670,000, that is a turnout of 0.001% of people who felt engaged enough to take part and express an opinion.

That is important, because those who took the trouble to make representations were responding, in my view, to an important part of the order. In fact, it is so important that it is included in the 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."

The identities and interests of the local community are important. Question 2 on page 6 of the Government's consultation, which was published in February this year, asks whether or not establishing a combined authority will have a positive or negative impact on the identity in that locality. Of the 11 people who responded, seven said that it would have a negative impact on the identities of those areas.

The order tells us that the Government will take local identities into account, but the majority of the 0.001% of people who actually responded to the consultation said that they thought it would affect those areas' identities. That is clearly an extremely small sample, and the argument will always be that those who take part in a central Government consultation of such a technical nature will be those who are against it; people who are happy with it generally get on with life and do not make representations or submissions.

We are yet to see what the Government intend to do about really engaging the English in the necessary debate on a new settlement for devolution in England. We heard the cries to take back control during the debate on Brexit. Let us be honest: people were not really talking about ending the relationship with Europe; they were saying that they want to control things that affect them and their families. They want to know that if they want decent housing, they can get it, that if their school is not performing, they can change that, and that if they want good quality health care, they can get it—and if it does not work, they can do something about it. They were asking for the mechanism and levers to effect change in their lives. The Opposition believe that that happens through devolution and empowering communities with more control over their lives. It is therefore disappointing that, as we negotiate our exit from the European Union, more is not being done with the power of devolution to hand people the power they demanded in the Brexit vote.

The Government have a unique opportunity to offer a new settlement on how the country is governed and where power sits, and a way for people to have genuine

power over matters that concern them and their families. The Minister has a significant weight of responsibility to bring forward a compelling vision for the devolved settlement and, more than that, a programme of activity that will engage the public in the process.

If what happens is another example of a centralising state that believes it knows best, and does things to people whether they like it or not, not only will we face a backlash at the ballot box when people stay at home instead of voting but, post-Brexit, people will feel that they have no more power than they had before.

4.41 pm

**Andrew Percy:** The shadow Minister generally makes reasonably positive contributions in such statutory instrument debates. I enjoyed his comments about public engagement, in which he seemed to criticise us for having so few people engaging in the process, and then he suggested—I am not sure how this sits with the first comment—that we should perhaps listen to the seven people he highlighted.

There were 1,911 responses to the consultation, of which 74.46% agreed that a partnership approach was important. That suggests that those who took part generally believed that bringing the five authorities together was important. Nearly 65% of respondents agreed that the Tees Valley should strengthen its partnership approach through a new combined authority, so there was clearly strong support for that, and 86.4% agreed that economic development was an important area for—

**Jim McMahon:** Will the Minister give way?

**Andrew Percy:** The hon. Gentleman must stop doing this when I am halfway through a sentence. Just let me finish my point and I may give way in a moment.

More than 90% agreed that employment skills were an important area of economic growth for the Tees Valley. There was therefore strong support generally for the content of the order and, among those who took part in the consultation, for partnership working and the construction of a combined authority. I have now finished my point and would be delighted to give way to the hon. Gentleman.

**Jim McMahon:** I interrupted the Minister in mid-sentence to try to save him from the cul-de-sac of a point that he was making by conflating two separate consultations. A consultation was carried out by the local enterprise partnership at local level, and the Minister is right to say that it had a significantly higher response rate than the Government consultation did. However, the consultation on the order before the Committee today received 28 responses—that is what the Government paper says. It was a separate process and a separate consultation. Let us not conflate the two in an attempt to demonstrate that the Government have done better than they have.

**Andrew Percy:** I am not sure that I follow the hon. Gentleman's point, because consultations have been undertaken at various stages and I was referring him to the responses, which clearly show that a majority of people in the area understand the need for the local authorities to work more closely together. That is why they have shown support in the consultation.

[Andrew Percy]

We have of course debated the public engagement element before. I note that the shadow Minister said that he did not want to repeat his previous comments, and then promptly went on to repeat some of them. When we have discussed such matters before, we have of course traded arguments across the Committee, and I have repeatedly made the point that, as I think he accepts, we must not pretend that the formation of a combined mayoral authority is the talk of the Dog and Duck. It is not necessarily something that many people will get involved in, in a practical sense. That does not mean that they do not understand or agree about the need for and importance of local partnership working; I think that they do.

The example I have used previously is the London mayoralty. There was a lot of scepticism about the position when it was first created, but now Londoners would not wish to be without it. It is difficult to say to somebody in an area, "This is what it will look like." Once this is actually in place and people see—hopefully, depending on who is elected and how good a job they do—the combined authority and the Mayor working together for the good of the area, with additional money from Government and additional powers, people will be engaged in that.

The Department for Communities and Local Government has put significant amounts of money aside in the run-up to the mayoral elections in May—they will be held in a number of places across the country—to promote them and encourage people to go out and vote. These are new structures that will take time to bed in, but I am sure it is something the public will follow with interest in their localities.

The hon. Gentleman mentioned English devolution. I will take no lectures from the Opposition, having spent 10 years as a local government councillor in the 13 years of a Labour Government—

**Jim McMahon:** The good old days.

**Andrew Percy:** They were hardly the good old days. I do not remember a great deal being devolved to us other than responsibility with no money.

The hon. Gentleman tempted me down the Brexit route. I am always fascinated to hear those people who were on the losing side of the campaign, and who did not understand the people who voted for Brexit, try to interpret why people voted to leave. They now stand up in this place and repeatedly tell me, somebody who did campaign and who represents an area that voted strongly for Brexit, why people voted to leave. It is amazing how they seem to be the only people capable of interpreting the votes of those they did not understand in the referendum campaign. But I am not going to go down that route, Ms Buck, because I can see that you are looking at me to bring me back to order.

As I said in my opening speech, this is an important step in getting the devolution deal implemented and the new money out the door and to the Tees Valley, where I am sure it will be spent for the benefit of the local economy and local people.

*Question put and agreed to.*

4.47 pm

*Committee rose.*