

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Second Delegated Legislation Committee

DRAFT NORTH EAST MAYORAL COMBINED
AUTHORITY (ESTABLISHMENT AND FUNCTIONS)
ORDER 2024

Tuesday 12 March 2024

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The Committee consisted of the following Members:

Chair: GRAHAM STRINGER

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| † Atherton, Sarah (<i>Wrexham</i>) (Con) | Mishra, Navendu (<i>Stockport</i>) (Lab) |
| † Clarke, Sir Simon (<i>Middlesbrough South and East Cleveland</i>) (Con) | † Mohindra, Mr Gagan (<i>South West Hertfordshire</i>) (Con) |
| Creasy, Stella (<i>Walthamstow</i>) (Lab/Co-op) | † Smith, Royston (<i>Southampton, Itchen</i>) (Con) |
| † Everitt, Ben (<i>Milton Keynes North</i>) (Con) | † Tracey, Craig (<i>North Warwickshire</i>) (Con) |
| † Glindon, Mary (<i>North Tyneside</i>) (Lab) | Trickett, Jon (<i>Hemsworth</i>) (Lab) |
| † Greenwood, Margaret (<i>Wirral West</i>) (Lab) | † Wheeler, Mrs Heather (<i>South Derbyshire</i>) (Con) |
| † Hart, Sally-Ann (<i>Hastings and Rye</i>) (Con) | † Young, Jacob (<i>Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities</i>) |
| Jayawardena, Mr Ranil (<i>North East Hampshire</i>) (Con) | |
| Johnson, Dame Diana (<i>Kingston upon Hull North</i>) (Lab) | Rebecca Lees, <i>Committee Clerk</i> |
| † McMahon, Jim (<i>Oldham West and Royton</i>) (Lab/Co-op) | † attended the Committee |

Second Delegated Legislation Committee

Tuesday 12 March 2024

[GRAHAM STRINGER *in the Chair*]

Draft North East Mayoral Combined Authority (Establishment and Functions) Order 2024

9.25 am

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Jacob Young): I beg to move,

That the Committee has considered the draft North East Mayoral Combined Authority (Establishment and Functions) Order 2024.

It is a pleasure to serve under your chairmanship, Mr Stringer. The draft order was laid before the House on 7 February 2024. If approved and made by Parliament, it will provide for the implementation of the devolution deal agreed on 28 December 2022 between the Government and seven councils across the north-east: Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland City. We have been working closely with those seven authorities, and on 2 February 2024—my birthday—they consented to the making of the order.

The institutions that are to be abolished by this order, which are the two existing combined authorities and the North of Tyne Mayor, consented to its making. The order also provides the foundation for the deeper devolution deal for the north-east, which was announced in the Budget on 6 March. It is a trailblazer deal, deepening and extending the devolution settlement in the north-east, providing new tools for the future Mayor and local leaders to drive regional economic growth. The order provides for the establishment on 7 May 2024 of the north-east mayoral combined authority, comprising as constituent councils the seven north-east councils. It simultaneously abolishes the existing North East and North of Tyne combined authorities, together with the office of the Mayor of the North of Tyne.

The order provides for a new Mayor for the whole of the north-east, to be elected by local government electors across the area of the seven constituent councils, with the first election to take place on 2 May 2024. That elected Mayor will take up office on 7 May with a four-year term, ending after the next mayoral election in May 2028. Thereafter, there will be elections every fourth year, which are to be held on the ordinary election day for that year, which is the first Thursday in May. Following the enactment of the Elections Act 2022, all those mayoral elections will use the first-past-the-post voting system.

The order provides for significant functions, as agreed in the devolution deal, to be conferred on to the new mayoral combined authority. They include functions on housing and regeneration; mayoral development corporations; transport; and skills and adult education. The mayoral combined authority will be the local transport

authority for the whole of the north-east, and the Tyne and Wear passenger transport executive—or Nexus, which is currently an executive body of the two current combined authorities—will become an executive body of the new mayoral combined authority. In addition, several powers relating to the adult education budget will be devolved fully to the combined authority from the start of the academic year 2024-25 in August, following the north-east successfully passing a series of readiness conditions. Provision is made in the order for certain functions to be exercised individually by the Mayor, as agreed in the devolution deal. They include certain concurrent powers of Homes England on housing and regeneration, and certain transport powers. Provision is also made to enable the Mayor, if they choose, to issue a precept to fund mayoral functions.

The order also provides for the combined authority's governance arrangements. Each constituent council is to nominate one of its members to be its constituent council member on the combined authority. In addition, each constituent council is to nominate two other members, each of whom may act as a substitute if its nominated member is unavailable. It is also open to the new mayoral combined authority to appoint associate members and invite nomination for non-constituent members under the Levelling Up and Regeneration Act 2023. The Mayor is to be the chair of the combined authority and is required to appoint one of the constituent council members to be the deputy Mayor. Whenever the deputy Mayor is required to act as the Mayor, one of the substitute members may act in their place for any proceedings.

Under schedule 5A to the Local Democracy, Economic Development and Construction Act 2009, the combined authority is required to have at least one overview and scrutiny committee and one audit committee. They are appointed by the combined authority and consist of an equal number of members from each of the constituent councils who are not also members of the combined authority. If approved by Parliament, the order is to be made under the 2009 Act, as amended by the Cities and Local Government Devolution Act 2016. As required by that legislation, we have also laid a section 105B report, which provides details about the public authority functions that we are devolving to the new combined authority.

The statutory origin of this order is in a governance review and scheme that was adopted by the constituent councils and then informed by a public consultation, which they carried out in accordance with the requirements of the 2009 Act. As provided for by that Act, the seven councils of the north-east consulted on the proposals in their scheme. They promoted the consultation in a number of ways, including by producing communications toolkits so that key local partner organisations and other stakeholders could help to encourage local participation.

A total of 24 engagement events took place across the region, comprising 15 separate public consultation events across the north-east, together with nine regional stakeholder events aimed at specific sectors, including the voluntary and community sector and the business, transport and education sectors. Responses could be made online or directly by email or on paper. The public consultation ran from 26 January to 23 March 2023, and 3,235 people or organisations responded through a variety of platforms. As required by statute, the constituent councils provided the Secretary of State with a summary of the consultation responses on 23 June 2023. More

than 60% of respondents supported the overall proposals for the establishment of, and governance arrangements for, a new mayoral combined authority and elected Mayor.

In laying the draft order before Parliament, the Secretary of State is satisfied that the statutory tests in the 2009 Act are met, namely: that no further consultation is necessary; that conferring the proposed powers would be likely to improve the exercise of statutory functions in the area and would be appropriate, having regard to the need to reflect the identities and interests of local communities and to secure effective and convenient local Government; and that, where the functions are local authority functions, they can be appropriately exercised by the combined authority.

Most importantly, agreeing this order opens a way to providing the very considerable funding for the area as set out in the devolution deal agreed in December 2022. That includes £48 million a year in investment funding for 30 years. In total, that will provide £1.4 billion to invest in the area to drive growth and take forward local priorities. There are significant funds for investment in transport, infrastructure and services, worth up to some £732 million over the next five years. There is an additional £17.4 million for building new homes on brownfield land, subject to sufficient eligible projects for funding being identified, and a further £20 million of capital funding to drive place-based economic regeneration. In addition, from August 2024, the core adult education budget will be devolved to the new combined authority, and the authority will plan to deliver UK shared prosperity funding from 2025-26, if that funding is continued and the geographies remain the same.

As I have mentioned, the order not only implements the devolution deal agreed in December 2022, but provides the foundation for implementing the deeper devolution deal that we announced in last week's Budget, which includes £37 million of new funding to support the region's growth ambitions, a growth zone with retained business rates and a number of innovative collaborations between the mayoral combined authority established by the order and the Government to drive growth in existing and future industrial strengths.

Those projects include, for example, creating a green superport, where the mayoral combined authority and the Government will work together to unlock the barriers to growth at the ports of Blyth, Tyne and Wear, at Newcastle international airport and at the International Advanced Manufacturing Park. This will harness the potential of the region's existing offshore engineering and green manufacturing industries to help drive growth.

Under that further deal, the mayoral combined authority established by this order will also work in close partnership with the Government to support the delivery of quality public services for all the people of the north-east, including through joint work to tackle homelessness, improve homelessness prevention and develop new pilot employment programmes. All of this will help the Mayor and local leaders in the north-east to drive economic growth and development in the area with a more effective, strategic and unified approach than ever before.

Finally, I pay tribute to the local leaders and their councils, for all the work they have done, and continue to do, to address local priorities and to support business, industry and communities across the north-east.

9.35 am

Jim McMahon (Oldham West and Royton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Stringer. I can confirm that we do not intend to divide the Committee on this statutory instrument today.

The order provides for the establishment of, and the governance arrangements for, the north-east mayoral combined authority, which comprises the seven local authorities across the north-east. I congratulate the leaders of the component councils for the significant groundwork they have done in preparation for today.

Mary Glendon (North Tyneside) (Lab): Will my hon. Friend further congratulate those leaders on ensuring that the Government delivered on the trailblazer funding, which the Minister referred to? Will he also wish the best of luck to our candidate, Kim McGuinness, who would be an excellent Mayor for the north-east mayoral combined authority?

Jim McMahon: Absolutely; the trailblazer deals are important because, in the end, not many members of the public are calling for more layers of government or more politicians, but people are calling for more power in their communities, and the trailblazer deal is part of that move towards greater localism. That is to be welcomed. Of course, Kim will be a fantastic champion, if she were to be successful in the election. We wish her well in that.

Margaret Greenwood (Wirral West) (Lab): Metro Mayor Steve Rotheram in the Liverpool city region has introduced new trains that are fully accessible to wheelchair users and are publicly owned. Does my hon. Friend agree that that is an example of how we can really deliver on the ground for our communities?

Jim McMahon: I am a strong believer in the idea that politics can be won on the buses, and I think we underestimate which mode of transport the vast majority of people take when they use public transport. We talk a lot about aeroplanes and trains, but actually more people's lives are connected to the bus services in their local community. It is no surprise, then, that Mayors such as Steve Rotheram are using that as a foundation of their success.

Margaret Greenwood: I apologise: I should clarify that he introduced fully accessible trains.

Jim McMahon: Of course, the trains. In Greater Manchester, we are doing bus devolution; I know that Tracy Brabin in West Yorkshire is doing the same; and I know that Steve Rotheram is doing a significant amount on the train service and, like Greater Manchester, is looking for further devolution, particularly around the stations, and the potential development that could be attracted there.

As has been said, the deal creates a new combined authority that will have functions to grow the whole north-east economy, and we are hopeful that our candidate, Kim McGuinness, will soon be the Mayor of the north-east. Kim, like many others, will be keen to grow the local area and the local economy for all the people who live there and who have businesses there. The north-east

[*Jim McMahon*]

requires dedication, commitment and focus. We hope that this measure is the start of that, because the area has significant challenges.

Current Government data for 2023 shows that youth homelessness is higher in the north-east than anywhere else in the UK. Almost one in five of the individuals who applied for and were due homelessness support were aged 18 to 24. Last week, at the Convention of the North, the Institute for Public Policy Research revealed that the healthy life expectancy data is stark. It found that the north-east is the worst performing region in England by that measure. In addition, in 2023, there was a record attainment gap between schools in the north-east and those in the south. More than 28% of entries by pupils in London were awarded grade 7 or higher, equivalent to A or A*, compared with just 18% of entries by pupils in the north-east.

There is a great deal to do to make sure that every person in the north-east realises their full potential. Action is required. So far, devolution under the current Government has been fragmented and piecemeal and has not gone far enough or fast enough. The powers and resources do not touch the sides of what is required for communities to have control over their areas and their own futures. Labour will push power out of Westminster with a take back control Act that gives communities a direct say in their future.

Sir Simon Clarke (Middlesbrough South and East Cleveland) (Con): As a former Secretary of State, albeit briefly, I owe it to the Committee to point out that the reason we do not have a Mayor of the north-east already is because the Labour councils in the north-east could not agree on establishing one sooner.

The Chair: I call the Minister. [*Interruption.*] Sorry; I call Jim McMahon.

Jim McMahon: Thank you. In the end, there is frustration and concern from local government leaders that, when we talk about devolution in this place, what we are really talking about is taking powers away from councils and giving them to a Mayor, but then no additional powers coming back down. The challenge was always whether the Government could convince local government leaders that the prize is big enough for them to give something away, because the Government will meet them halfway. That is what we are seeing today. The purpose of the trailblazer deals was to demonstrate to council leaders that there was enough there that was worth working together for. That is why we are where we are.

In a way, what this shows is that, regardless of party politics, whether Labour or Conservative, if national Government work hand in hand with local government, we can make progress. We should see this for the success that it is. On Labour's offer, we will start by giving all Mayors the powers and flexibility to turbocharge growth in their areas. That will include powers over planning and housing, transport, net zero and adult education. We will offer all places the right to negotiate with the Government for powers that have been devolved elsewhere. That will be the foundation of Labour's plan to rebuild Britain and give it its future back.

The Chair: I call the real Minister to reply.

9.41 am

Jacob Young: I am grateful to the hon. Member for his comments. I would point out to him, as I have done in previous debates, that under the last Labour Government the only area with a devolution deal in England was London. Under this Government, now more than 60% of England is covered by a devolution deal, and we are absolutely committed to expanding that further, which is what today's order does.

Twenty years ago, the people of the north-east rightly rejected John Prescott's idea for a north-east assembly. Labour's version of devolution was top-down and even described by advocates as a talking shop with minimal powers. I remember the postcards during that referendum showing Middlesbrough's town hall draped with the colours of the magpie with the phrase, "Don't let the Toon run the Boro". Today, in contrast, we are devolving with the consent of the people. It will not be a talking shop but a region with more powers and funding than ever before.

The north-east becomes the first region of the UK to be completely covered by mayoral devolution, with the powerful Tees Valley Mayor Ben Houchen and a new Mayor covering the rest of the north-east. The north-east is home to landmarks recognised around the world, including Hadrian's Wall, Durham cathedral and the Angel of the North. It bursts with skills and opportunities, with world-leading universities such as Durham University, the centres of educational excellence in Newcastle, and the pioneering education partnership between Sunderland and Northumberland. It is a trading region, with £12 billion of chemical exports each year. It has Nissan in Sunderland and the Port of Tyne, which handles most of the UK's tea. Those in the north-east have given so much to the world and the UK, and we owe it to them to pass this order today.

Question put and agreed to.

9.43 am

Committee rose.