

Briefing Note

Re Cambridgeshire & Peterborough Combined Authority –

Differences Between the Scheme as Proposed by Constituent Councils and the Draft Order as Prepared by DCLG and the Practical Effects of the Differences.

1. Background

1.1 The draft Order was received late afternoon on Wednesday 9th November 2016. Inspection of the Order revealed that it contained some differences to the Scheme which resulted in further discussions with government which concluded on Monday 14th November 2016. These differences have been carefully reviewed by officers and the implications are set out below. This note is intended to identify and explain the differences. The key areas of difference are as follows:-

- Transport/Highways
- Funding
- General Power of Competence
- Membership of Combined Authority

1.2 The structure of the Order differs from the Scheme and as such it is difficult to do a direct comparison. However, the following identifies and explains the key areas of difference and their potential implications.

2. Changes to the Exercise of Transport Powers

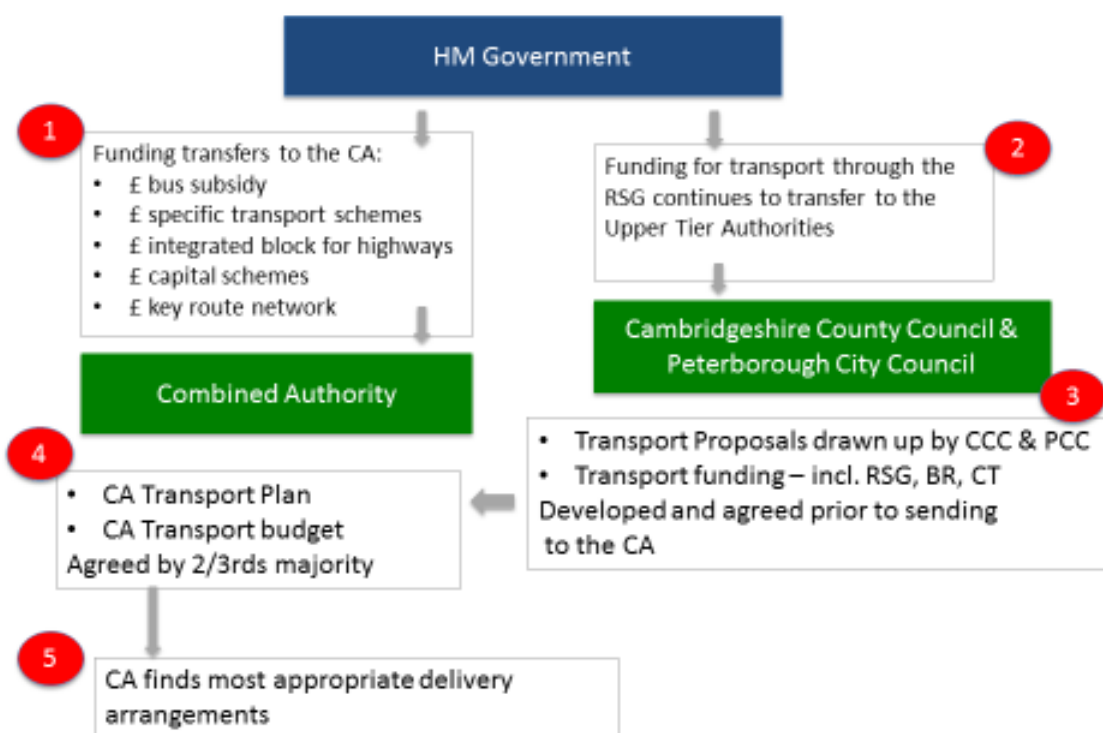
2.1 The grant funding of various passenger transport services was proposed to be exercised concurrently with the Mayor/CA, Cambridgeshire County Council and Peterborough City Council. The Order varies this to only the Combined Authority/Mayor being able to grant funding to these services.

2.2 The Scheme proposed that the function of preparing and publishing Local Transport Plans (which set out the strategy and investment priorities for the areas) should be carried out concurrently with Cambridgeshire County Council and Peterborough City Council. The Order varies this to only the Mayor/CA exercising this function.

2.3 Voting arrangements on the above provision provide that any decision by the CA requires a majority of at least two thirds of all members appointed by the constitutional councils. In addition, a Peterborough member will be required

to be in the two thirds' majority or the plan will not be approved. The Combined Authority's constitution can include a provision to allow for a member from Cambridgeshire County Council to be included in the two thirds majority for the plan to be approved. The LEP representative can vote on these matters, but their vote will not be included in determining the two thirds majority.

3. How the Local Transport Plan and funding changes work in practice:



The main features are as follows:

- 1a HM Government will devolve a number of transport related budgets directly to the Combined Authority. Currently they are allocated directly to Cambridgeshire County Council and Peterborough City Council as Highway Authorities. These budgets are a mix of both revenue and capital. In addition to the funding streams set out in the box above other funding streams include concessionary fares, ad hoc public transport grants and bus services operators' grants.
- 2b The Revenue Support Grant will continue to be issued to the Upper Tier Authorities – until it is phased out. This includes elements for transport.

3.2 Cambridgeshire County Council and Peterborough City Council will continue to develop their transport plan proposals and the transport funding arrangements needed to support them. The funding arrangements bring together the transport components of the revenue support grant (until it is phased out) and additional contributions from Business Rates, Council Tax and S106/CIL receipts, as is the case now.

4.2 The Combined Authority will be responsible for producing the Local Transport Plan and a Transport budget for the Cambridgeshire and Peterborough area. It will do this by taking into account the transport proposals received from Cambridgeshire County Council and Peterborough City Council. It will also consider the economic strategy for the combined authority area and the implications this has for transport. In considering the transport plan and budget the Combined Authority will be able to assess the totality of all funding streams and additionally determine if new funding streams such as the infrastructure investment fund, should be added to the total budget. Both the Local Transport Plan and Transport Budget are presented to the Combined Authority for agreement and require two thirds of constituent councils to support them. The voting arrangements for Cambridgeshire County Council and Peterborough City Council are explained at paragraph 2.3.

5.2 When the Combined Authority has approved the Local Transport Plan and the Transport Budget it will ask its officers to find the most effective arrangement for delivery of the functions.

Under the Order the powers to subsidise buses is given to the Mayor/Combined Authority. In addition the national concessionary fare scheme and the ability to receive ad hoc grants to invest in passenger transport services and infrastructure is given to the Mayor/Combined Authority. There appears to be nothing that will preclude CCC or PCC continuing to subsidise bus services.

Under the Order, the Mayor/CA would run a CA wide concessionary fares scheme which in terms of administration, would be sensible and efficient.

4 Funding

4.1 Article 7 of the Order relates to how the costs of the Combined Authority are to be met which states that these costs are to be met by the constituent councils. In the scheme, approved for consultation by councils in June this year, it referred to sharing costs between the constituent councils in

“equitable shares”. The Order has varied this position so that costs will be apportioned in “equal proportions”. In recent briefing of councils it has been made clear that Government have agreed that these costs can be met from the revenue share of the £20m per year fund.

4.2 Article 7 (5) requires the constituent councils to cover the risks of the mayor. In relation to this, there is a requirement that the Mayor must obtain a two thirds majority to approve any spending plans which will include his/her costs.

4.3 Paragraph 19.3 of the scheme also indicates that the Combined Authority will agree an annual budget identifying expenditure and sources of income. This is not replicated in the Order but the Combined Authority and the Mayor will be able to set out, in the constitution provision for these matters.

5 General Power of Competence

5.1 Article 12 of the Order provides that the General Power of Competence will apply to the Mayor whereas the Scheme proposed that it wouldn't. A general power of competence allows the Mayor to do anything that an individual can do. The Mayor could not take over statutory functions of the constituent councils and it is likely he/she will use this power for example to enter into contracts or forge joint ventures in addition to their powers.

6 Membership of Combined Authority

6.1 In the scheme it proposes that each council will be represented on the Combined Authority by its Leader. The Order varies this to state that each constituent council must appoint one of its “elected members”. The recommendations set out in the Council reports will need to propose the name of an elected member which is anticipated to be the Leader as set out by the original scheme.