



Combined Authorities: Stronger together?

Rachel Smith, July 2012

What is a Combined Authority?

A Combined Authority can be set up when two or more contiguous local authorities, covering an area's natural economic footprint, want to collaborate more closely to support economic development. Unlike Local Enterprise Partnerships, a Combined Authority must be a legal body and a local authority may only be part of one Combined Authority.

The benefits of forming a Combined Authority are intended by Government to include:

- Streamlined governance arrangements;
- Improved long-term strategic decision making;
- A clear external voice to Government and investors;
- Improved alignment, coordination and delivery of economic development and transport related initiatives;
- A means by which to steer significant streams of work.

What powers does a Combined Authority have?

When a Combined Authority is created, its constituent local authorities decide which of their economic development and regeneration functions the Combined Authority takes on. These functions can be taken on either wholly, subject to a set of conditions, or concurrently with constituent local authorities.

A Combined Authority is also responsible for delivering an integrated public transport network in the area it covers, similar to Passenger Transport Executives and Integrated Transport Authorities. However, the Secretary of State has the option to hand a Combined Authority additional transport-related powers and responsibilities.

Box 1 outlines some of the powers the Greater Manchester Combined Authority (GMCA) holds.

How is a Combined Authority funded?

A Combined Authority can levy its constituent local authorities and borrow with regards to its transport functions only. Any other costs incurred must be met by its constituent local authorities, subject to their agreement.

Box 1: The Greater Manchester Combined Authority (GMCA)

The GMCA was established on 1 April 2011 to improve economic conditions in the ten local authorities it covers. To do this the GMCA has a number of powers and responsibilities (many of which are undertaken concurrently with the ten local authorities) which include:

Economic Development

1. The revision and development of the Greater Manchester Strategy (which is the area's economic strategy) and Sustainable Communities Strategy.
2. Preparation of the Greater Manchester Strategic Housing Market Assessment and Housing Strategy.
3. Securing the provision of education and training to meet the needs of young people aged 16 to 19 and those aged 16–25 with a learning disability.
4. The ability to acquire (or make compulsory purchases) and dispose of land.

Transport

1. The functions formerly undertaken by the Greater Manchester Integrated Transport Authority which include investing in local schemes like the Metrolink.
2. The management and maintenance of traffic signs and pedestrian crossings.
3. The ability to borrow money in relation to transport functions.
4. The creation of Transport for Greater Manchester as an executive agency.¹

How do you set up a Combined Authority?

The creation of a Combined Authority is entirely voluntary but local authorities considering moving to this model of governance need to go through a defined process.

Firstly, a review of existing governance arrangements needs to be undertaken to decide whether a Combined Authority would improve:

- The excise of statutory functions in relation to economic development, and regeneration in the area;
- The excise of statutory functions in relation to transport and the effectiveness and efficiency of transport in the area;
- Economic conditions in the area.

Secondly, if it is decided that a Combined Authority is likely to benefit an area, the constitutional and operating arrangements of the new Combined Authority must be defined.

Thirdly, following this, the Secretary of State considers the proposal and consults with relevant parties. If the proposal is approved, the fourth and final stage is the presentation of a draft Order to Parliament to be approved by both Houses.

Once a Combined Authority has been established other local authorities can join or leave the Combined Authority. The Secretary of State may also dissolve or abolish the Combined Authority, but only if the majority of constituent councils agree.

1. Greater Manchester Combined Authority (2011) *Transport and economic development protocols and Greater Manchester Combined Authority 2011 Operating agreement*, www.agma.gov.uk/gmca/index

What is Centre for Cities' view?

Centre for Cities supports the creation of Combined Authorities. They provide Government with the strong and accountable leadership required to devolve powers to cities and enable policies to be implemented over a spatial scale which matches the economic footprint of cities. And, although in the past Government has, in some instances, struggled to devolve powers where it has not been clear who to devolve to, Combined Authorities help overcome this.

Our research has shown that the geography of economic growth is uneven. Over the course of the last decade, whilst cities such as Brighton and Milton Keynes grew their private sector jobs bases, others such as Blackpool and Birmingham saw comparatively slower growth. The recession has compounded this divergence in economic performance.

To support economic growth most effectively, cities need additional powers so they can develop policies which respond to their unique circumstances. To be most effective, these policies need to be implemented at a spatial scale that matches cities' economic footprints, which often cover more than one local authority. A Combined Authority is an effective route to do this – although for some cities it will not be appropriate, and for others it is likely to be a medium to long-term aspiration rather than a short-term ambition.

What next?

Currently, there is one Combined Authority in England, in Greater Manchester. West Yorkshire (Leeds City Region) and South Yorkshire (Sheffield City Region) have committed to forming Combined Authorities and in time Newcastle also intends to move to this form of governance.

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