

KEEP YOUR EYE ON THE NEEDS OF COMBINED AUTHORITIES

Combined authorities will have control of a range of budgets and they will need the skills of SSAs and SS(PRAC)s to help them negotiate the regional people, power and politics issues.

The trade by the Greater Manchester Combined Authority with George Osborne - accepting a Mayor in exchange for control of the health budget - is critical for all those involved in collaborative working.

It is the signal that, whilst shared service working is still relevant, the major game is becoming large scale collaborative transformation, of which shared service working will be a sub-set.

In the 2014 PWC survey of local authorities, they conclude the introduction with the comments: *'Overall, this year's survey highlights a growing appreciation within local government that radical transformation across the public sector in a place is needed. So far, local authorities have done a good job in transforming their internal processes and operating models. As we look to 2015 and beyond, this approach will no longer be sufficient. Councils need to look outwards to redefine their role and purpose and lead transformation not just for their own organisations, but across whole places!'*

The bribe of more devolution, offered to the Scots to win the independence referendum, has opened up similar demands by the large cities in England. As a result, the combined authorities will have control of a range of budgets and they will need the skills of SSAs and SS(PRAC)s to help them negotiate the regional people, power and politics landscape.

The starting point for this will be the creation of strong trust and shared vision between the leadership.

Simply put, if the leadership relationships are poor, the deal will be low quality and ineffective.

¹ PWC (2014) *The Local State We're In*. PWC Publications

Back to basics...what is a combined authority?

The House of Commons Library Standard Note on combined authorities² is helpful in setting the context and background:

Combined authorities may be set up by two or more local authorities. The combined authority must include all local authorities in its area: it cannot include, for instance, part of a county council area. They may take on transport and economic development functions. They have a power of general competence.

Combined authorities are a type of authority which may be set up, by the Secretary of State, at the request of local authorities in a specified area. Their purpose is to undertake joint functions through a public body with its own legal personality.

They were introduced in sections 103-113 of the Local Democracy, Economic Development and Construction Act 2009. The power to set them up extends to England only. Local authorities must trigger a review process in advance of setting a combined authority up, but the power actually to create a combined authority lies with the Secretary of State, via statutory instrument.

The Secretary of State must consult the authorities that would be covered by the combined authority, and must be satisfied that the establishment of a combined authority will contribute to economic development and transport policy:

(1) The Secretary of State may make an order establishing a combined authority for an area only if, having regard to a scheme prepared and published under section 109, the Secretary of State considers that to do so is likely to improve—

(a) the exercise of statutory functions relating to transport in the area,

² Sandford J, House of Commons Library (2015) *Combined Authorities Standard Note SN/PC/06649*.

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- (b) the effectiveness and efficiency of transport in the area,
- (c) the exercise of statutory functions relating to economic development and regeneration in the area, and
- (d) economic conditions in the area.

There is also a requirement that: (4) In making the order, the Secretary of State must have regard to the need—

- (a) to reflect the identities and interests of local communities, and
- (b) to secure effective and convenient local government.

Authorities may also be removed from the combined authority, or the combined authority may be abolished, again by statutory instrument.

The *Standard Note* also has maps of the current combined authority deals that were on the table in January 2015. These are:

- Greater Manchester Combined Authority
- North East Combined Authority
- West Yorkshire and Sheffield Combined Authorities
- Liverpool City Combined Authority

Anyone else want a combined authority?

In February, the LGC¹ magazine published a potential 40 clusters of councils stepping forward, in for example:

- Derbyshire
- Nottinghamshire
- Lancashire
- Cambridgeshire
- Tees Valley
- Birmingham/Black Country
- North West London
- Greater Bristol
- PUSH (Southampton, Portsmouth, Isle of Wight and surrounds)
- South Wales (Cardiff and surrounding authorities)
- Oxfordshire, Buckinghamshire and Northamptonshire

What support will combined authorities need to accelerate their development and delivery?

SSA has been involved in a research project, in February/March 2015 into the impact of combined authorities on further education and skills for economic growth.

We interviewed over 50 senior leaders across LEPs, combined authority councils, a Mayor, FE providers, HE and community groups.

What interested us were the key elements that needed to be in place for the combined authority to be effective.

It was clear that the localism agenda is a multi-billion pound, multi-partner, mixed organisational culture, collaborative transformation experiment and requires two things:

1. Leaders who understand collaborative leadership, exhibit collaborative leadership behaviours and are willing to cede power and responsibility for the good of their locality and the combined authority
2. Project leaders who are skilled in collaborative transformation and shared service working and can apply the SSA toolkits to accelerate the success of these programmes

In interviews, we heard about impressive amounts of money being received, and large scale infrastructure projects (eg. HS2) being developed.

It would have been more reassuring to hear talk about initially focusing on building strong trust and relationships between the leadership and senior managers in the partnering organisations, rather than on the money and infrastructure project deals.

For combined authorities, if there is a lack of strong relationship between the partnering organisations, then there will be no deal.

¹ LGC 26/02/15