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Lord Beecham
Lord Shipley
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Dear Colleagues,

Further to the debate on 18 July on the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) Order 2016 and the West Midlands Combined Authority (Election of Mayor) Order 2016, I am writing as promised to provide further helpful clarification to some of the points I raised and answer some noble Lords' questions.

First I would like again to express my thanks for all the contributions to that wide-ranging and relevant debate. Given the themes raised during the debate, I have structured this letter according to the particular areas of discussion, which I hope you will find helpful.

Geographical configurations of existing combined authorities
The devolved arrangements we are establishing, as made clear when the Cities, Local Government and Devolution Act 2016 was passing through Parliament, are subject to a triple lock: consent by the councils concerned; agreement by Government; and approval by both Houses. Our approach is that devolution is locally driven, with the initiative lying with local areas to come forward with their proposals, both as regards the powers and budgets to be devolved and the area over which devolution is sought. The aim is that powers are devolved across an area that is a functional economic area, as recognised locally. Powers will be exercised uniformly across that area through being devolved to a combined authority for that area.

All councils in such an area are constituent councils of the combined authority. A district or unitary council can be a constituent council of only one combined authority and hence a full member of only one devolution deal. Such a council can also be a non-constituent member of another combined authority, that is an associate member of that combined authority and hence an associate member in another deal. A county council can be a constituent council of two or more combined authorities in relation to different parts of the county. This means that a county council can fully participate in two or more deals. Finally, where there is a mayor, he or she exercises functions over the area of the combined authority and is elected by only the electors of that area.

Turning to the question of the Sheffield City Region, there is an ongoing statutory public consultation on proposals for devolving powers to the City Region and on expanding that City Region to include the areas of Chesterfield and Bassetlaw. After the consultation ends in mid-August, the Secretary of State will decide whether or not to seek parliamentary approval

to an order implementing these proposals for devolution and changes of area, having regard to the outcome of the consultation and all other relevant information. There can be no changes to the Sheffield City Region Combined Authority unless the Secretary of State is satisfied that the statutory test is met that the change "is likely to improve the exercise of statutory functions in the area".

As regards Derbyshire County Council, it has as yet given no formal statement of its position because formal consent has not yet been sought. If the Secretary of State were to decide to proceed with implementation of these proposals, he would at that point seek the formal consent of all the councils concerned. In the case of a two-tier area such as Chesterfield, the statute provides that he may proceed if only one of the councils in the area consents. I can confirm that discussions are ongoing across Whitehall, and with the areas who are making the proposals, about ensuring that devolution arrangements are fully workable.

A question was also raised about Gateshead in the North East. That council has to date not given its consent to the Order establishing a mayor for the area and has chosen not to ratify the devolution deal. The powers with which Parliament has provided the Secretary of State enable him in such circumstances to proceed and seek parliamentary approval to establishing the mayor even if one authority such as Gateshead has not consented. The Order for a North East mayor is currently before Parliament and is due to be considered by your Lordships' House in September. If an order is made establishing a mayor for the North East without Gateshead then the Secretary of State is under a statutory duty to make a further order removing Gateshead from the combined authority.

Devolution Deals
The Government will continue working to deliver devolution deals to those areas that want to take advantage of devolved powers and resources. With a locally driven approach, it will be important for areas to bring forward strong proposals that are right for them and supported locally.

Overview and Scrutiny
The appointment process for the Chair of an Overview and Scrutiny Committee, when that Chair is an independent person, will be one that is open, transparent, and based on open advertisement. Those in combined authorities, as those in local authorities and all public bodies, should always act according to the Nolan Principles. We have powers to issue statutory guidance and we are ready to consider whether, in addition to the secondary legislation we are planning on scrutiny and audit committees, it would be appropriate to issue guidance about such matters as the appointment of independent persons. We expect that our formal response to the Public Accounts Committee's recommendations will be published in the Autumn.

The mayor
As to any mayoral veto, most devolution deals include some text requiring that decisions by the combined authority are decided by majority, subject to that majority including the vote of the mayor. This does not of course apply to decisions taken wholly by the mayor. This is to ensure that both the mayor and a majority of combined authority members must be in agreement about actions when they are decided upon.

Sheffield City Region, as other areas, have now published and are consulting on statutory schemes setting out their proposals for implementing the devolution deals. In their scheme, the Sheffield City Region has not fully reflected the voting arrangements for the mayor as set out in the deal. The voting arrangements will be established through an order, made by the

Secretary of State, subject to parliamentary approval. In making the order, which is expected to be in the Autumn, the Secretary of State will have regard to the scheme and all other relevant information, including the agreed deals. Before the order can be made, the Combined Authority and constituent councils must give their consent to it.

I am placing a copy of this letter in the Library of the House.

LORD BOURNE OF ABERYSTWYTH