



Combined authorities

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Combined authorities are a legal structure that may be set up by local authorities in England, following a governance review.

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.

The Greater Manchester Combined Authority was established in 2011. Combined authorities were established in the North-East, West Yorkshire, Sheffield and Liverpool in April 2014. Greater Manchester has since been offered a number of additional powers and funding streams by the Government, some of which are dependent on the establishment of a directly-elected mayor: Sheffield too has been offered further powers.

Media reports indicate that a number of other areas in England, both urban and rural, are considering establishing combined authorities. A consensus appears to be developing that they are a favourable location for any further devolution of powers to local government.

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1 Combined authorities

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.

1.1 Procedure for establishment

To establish a combined authority, a local authority or authorities must carry out a review which may recommend the establishment of a combined authority for their area, or including their area. They must publish a “scheme” to this end. Publication of the scheme requires the consent of the local authority areas covered by it.

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,
- (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.¹

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.²

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

There is no power for public bodies other than local authorities to join a combined authority.

1.2 Functions of a combined authority

The membership and functions of the combined authority are to be specified in the order setting it up. Some provisions are taken from the *Local Transport Act 2008*, including the

¹ [Local Democracy, Economic Development and Construction Act 2009](#), s.110.

² Ibid.

power to transfer the functions of an integrated transport authority to the combined authority, so long as the ITA's area is covered by the combined authority. The functions of a passenger transport executive may also be transferred to a combined authority.

Combined authorities may also take on the functions of Economic Prosperity Boards. These are an alternative structure in the 2009 Act which have never been used. This would allow the combined authority to take on the economic development role of their constituent local authorities.

Combined authorities also have a version of the general power of competence. This was introduced via the *Localism Act 2011*. It is similar to that available to local authorities, though it does not allow combined authorities to provide statutory services to people on a commercial basis:

113A General power of EPB or combined authority

(1) An EPB or combined authority may do—

(a) anything it considers appropriate for the purposes of the carrying-out of any of its functions (its “functional purposes”),

(b) anything it considers appropriate for purposes incidental to its functional purposes,

(c) anything it considers appropriate for purposes indirectly incidental to its functional purposes through any number of removes...³

The *Localism Act 2011*, sections 15-20, allows the transfer of any public function from other bodies, or from ministers, to ‘permitted bodies’ – a designation which includes combined authorities (section 20). It would therefore be possible for further powers to be devolved to combined authorities by statutory instrument. No orders have been made so far under this provision. Under section 19 of the 2011 Act, this power is subject to the super-affirmative procedure for statutory instruments (see page 11-12 of Library standard note SN/PC/06509, *Statutory Instruments*).

1.3 Combined authority areas: issues

The 2009 Act provides that combined authorities may not include only part of a local authority within their area. Thus, they cannot include part of a county council area. This is an obstacle for some of the areas establishing combined authorities, as they wished to reflect functional economic areas with their boundaries. To circumvent this issue, the concept of ‘associate membership’ has been created. Hence the Sheffield City Region combined authority includes a number of district councils from north Derbyshire and Nottinghamshire as ‘associate members’. ‘Associate membership’ does not exist in law.

Combined authorities also may not include areas which are geographically detached. Hence, York City Council cannot currently be a full member of the West Yorkshire Combined Authority, as the two are separated by the area of North Yorkshire County Council. York City Council too is an ‘associate member’.

The Government issued a consultation in April 2014 on removing both these prohibitions on combined authorities via a Legislative Reform Order. The consultation has concluded, but no change has been made at the time of writing.⁴

³ *Local Democracy, Economic Development and Construction Act 2009*, s113A, inserted by the Localism Act 2011.

Local authorities may not be full members of more than one combined authority.⁵ However, as there is no such thing in law as ‘associate membership’ of a combined authority, a district council is free to be an ‘associate member’ of more than one combined authority, or an ‘associate member’ of one and a full member of another.

2 Establishment of combined authorities

2.1 Greater Manchester Combined Authority

The Greater Manchester Combined Authority was established under the [Greater Manchester Combined Authority Order 2011](#) (SI 2011/908). The GMCA covers the ten metropolitan boroughs which formerly made up the metropolitan county of Greater Manchester: Manchester, Salford, Stockport, Tameside, Trafford, Wigan, Bolton, Bury, Rochdale, and Oldham. Previously, these authorities had formed the Association of Greater Manchester Authorities (AGMA), which is distinct from the GMCA.

The Order provided for each constituent authority to have one formal member. Members can receive expenses but may not be paid. The GMCA has taken on economic development and transport powers: it may set a transport levy and borrow for transport-related purposes. Any congestion-charging provision must be passed unanimously. The GMCA also took on responsibility for the [Commission for the New Economy](#), a research unit previously based within AGMA, and [MIDAS](#), an inward investment agency.

The combined authority was centrally involved in the ‘earn-back’ scheme agreed with central government, allowing the retention of a proportion of business rates to be invested in infrastructure. This formed part of the Manchester city deal.⁶

Ministers indicated that the combined authority was explicitly expected not to create a new city-region-wide bureaucracy:

We do not anticipate that establishing the combined authority will involve increased costs for the 10 local authorities within Greater Manchester, as a lot of the infrastructure to support the authority is already in place. Indeed, our expectation is that the combined authority will lead to considerable efficiency savings through sharing and avoiding the duplication of services. This is important at a time when public resources are so stretched.⁷

However, there appears to be an emerging consensus that combined authorities will be suitable receptacles for further devolution of powers and budgets from central government. This was reflected by the new powers announced for Greater Manchester in November 2014.⁸

2.2 The Government’s further proposals for Greater Manchester

On 3 November 2014 the Government published a document entitled [Greater Manchester Agreement](#), which set out new proposed powers for the Greater Manchester Combined Authority.⁹ The document follows extensive negotiations between the Greater Manchester

⁴ DCLG, [Proposal to amend legislation relating to combined authorities and economic prosperity boards](#), 30 April 2014

⁵ [Local Democracy, Economic Development and Construction Act 2009](#) s.103 (5) (a).

⁶ See [HCDeb 20 March 2012 c52-3WS](#)

⁷ [HLDeb 16 Mar 2011 cGC92](#)

⁸ See also the Library standard note [Local government devolution: policy proposals](#) for further details of devolution of powers proposed by various think-tank reports during 2014.

⁹ See also a Written Ministerial Statement at [HCDeb 3 Nov 2014 c36-7WS](#)

Combined Authority and the Government. The Government proposes to establish a new, directly-elected mayor for the whole Greater Manchester area. This will require primary legislation, and the document suggests that the first election to the position could take place in 2017. The Government proposes that the new elected mayor will receive the following powers and resources:

- A consolidated, multi-year transport budget;
- Responsibility for franchised bus services, railway stations, and ‘smart ticketing’ (an example of this is London’s Oyster Card) in Greater Manchester;
- A Housing Investment Fund of £300m over 10 years;
- The power to produce a statutory spatial strategy, equivalent to the power of the Mayor of London: this would be subject to rejection by two-thirds of the ‘combined authority cabinet’ (i.e. the ten leaders of the combined authority’s member authorities);
- An enhanced form of the Manchester ‘earn-back’ agreement;
- The elected mayor will also become the Police and Crime Commissioner for Greater Manchester.¹⁰

Meanwhile, the combined authority itself will receive the following additional powers and resources:

- Devolved business support budgets: the Growth Accelerator, Manufacturing Advice Service and UKTI Export Advice;
- Power to restructure further education in Greater Manchester, plus control of the Apprenticeship Grant for Employers;
- Joint commissioning, with the Department for Work and Pensions, of the next stage of the Work Programme;
- The opportunity to plan the integration of health and social care.¹¹

The new elected mayor will be subject to scrutiny by the existing scrutiny committee of the combined authority. The mayor’s spending plans can be rejected by the combined authority on a two-thirds majority. However, ‘public service issues’ will be subject to an ordinary majority of the voting members.

The combined authority will be able to take on some of the powers set out above – health and social care, business support, and skills – before the passage of legislation to create the new elected mayoralty. In the meantime, the Government plans to amend the order setting up the combined authority to create an eleventh member (alongside the ten borough members), who will be chair of the authority and hence be the interim Mayor until the first election takes place.¹²

¹⁰ HM Treasury, [Greater Manchester Agreement](#), November 2014, p. 1

¹¹ Ibid.

¹² If one of the existing local authority leaders on the combined authority is chosen as the interim mayor, they will not be able to continue as leader of their local authority too. See David Paine, “Manchester combined authority chair signals interest in appointed mayor role”, [Local Government Chronicle](#), 11 November 2014.

2.3 Other combined authorities

Four further combined authorities have been established. Maps of each authority's area can be found in the Appendix to this note. The authorities have adopted shortened 'brand names' instead of their lengthy formal ones (see below) for everyday communication.¹³ The combined authorities are:

- The **Sheffield City Region Combined Authority** (formally the 'Barnsley, Doncaster, Rotherham and Sheffield Combined Authority'), covering the former metropolitan county of South Yorkshire.
- The **West Yorkshire Combined Authority**, covering Leeds, Bradford, Calderdale, Kirklees and Wakefield i.e. the former West Yorkshire metropolitan county. York City Council is an associate member (see below);
- The **Liverpool City Region Combined Authority** (formally the 'Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority'), covering the former metropolitan county of Merseyside plus Halton (Widnes and Runcorn);
- The **North-East Combined Authority** (formally the 'Durham, Gateshead, Newcastle-upon-Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority'), covering the same area as the North-East Local Enterprise Partnership (LEP).

Like Greater Manchester, the Sheffield City Region Combined Authority has agreed a package of devolved powers from the Government.¹⁴ Negotiations are also under way with West Yorkshire. Both Sheffield and West Yorkshire are reported as having rejected an elected mayor on the Manchester model; the powers on offer to Sheffield fall short of those offered to Manchester.

2.4 Further proposed combined authorities

Media reports have suggested that the following areas are considering forming a combined authority. This list does not guarantee that negotiations in any of these areas will be successful:

- **Derbyshire**: an agreement between Derbyshire County Council, its eight district councils, and the unitary Derby City Council is reported as being under way;¹⁵
- **Nottinghamshire**, including the unitary Nottingham City;
- **Lancashire**, including Blackburn with Darwen, and Blackpool;
- **Cambridgeshire**;
- **Tees Valley** (Middlesbrough, Stockton, Darlington, Redcar & Cleveland, Hartlepool);
- **Birmingham / Black Country** (Birmingham, Sandwell, Dudley, Walsall, Wolverhampton), possibly including Solihull and Coventry;

¹³ [HCDeb 18 Mar 2014](#), c721-2

¹⁴ See Deputy Prime Minister's Office, '[Oyster-style cards for Sheffield as Deputy PM agrees devolution deal](#)', 12 December 2014

¹⁵ Mark Smulian, "Derbyshire set for first county combined authority", [Local Government Chronicle](#), 3 December 2014

- **North-West London:** Barnet, Brent, Ealing, Harrow, Hillingdon, Hounslow. This proposal may be less likely to succeed given the existence of the Greater London Authority;¹⁶
- **Greater Bristol** (the former Avon County Council area - Bristol; Bath & North-East Somerset; North Somerset; South Gloucestershire);
- **PUSH** (Southampton, Portsmouth, Isle of Wight and nearby urban areas). This area would cover only part of Hampshire County Council, and hence could not form a combined authority at present;
- **South Wales** (Cardiff and surrounding authorities). There are no powers to introduce combined authorities in Wales under the 2009 Act;¹⁷
- **Oxfordshire, Buckinghamshire and Northamptonshire.**

3 Combined authority orders

The orders for the South Yorkshire, West Yorkshire and Merseyside combined authorities were approved by the House of Commons on 18 March 2014.¹⁸ The House of Lords approved them on 24 March 2014.¹⁹ The DCLG made available a summary of responses to the consultations on the orders.²⁰

The orders provide that each combined authority must set up at least one overview and scrutiny committee, made up of at least one councillor from each member authority. No councillor who is a member of the combined authority itself may sit on the overview and scrutiny committee. Brandon Lewis stated during the debate on 18 March that “Good governance practice will mean that such committees will be politically balanced, enabling appropriate representation of councils’ minority parties”;²¹ however, there is no legal requirement for minority party representation in the orders. Brandon Lewis reiterated this point in a letter sent on 4 April 2014:

Following good practice will mean that members are appointed to these committees with a view to achieving political balance across the councils involved. Good practice also suggests that preferably the Chairman of an overview and scrutiny committee should not be a member of the majority political party represented in the body’s decision making forum – for the Combined Authorities the meeting of their members, again largely the Leaders of the councils involved. In addition, where a body follows good practice it will have proper regard to the reports and recommendations of its overview and scrutiny committee(s)...²²

4 Elected mayors for combined authorities

The Government has agreed that a directly-elected mayor for Greater Manchester will be introduced, as part of the agreement set out in section 2.2 above. This will require primary

¹⁶ See David Paine, “Six London boroughs to discuss capital’s first combined authority”, *Local Government Chronicle*, 26 November 2014.

¹⁷ Section 103 (2) of the 2009 Act provides that a combined authority area must “consist of the whole of two or more local government areas in England”.

¹⁸ [HCDeb 18 Mar 2014 c702&ff](#). The orders must be affirmative statutory instruments, hence are required to be actively approved by both Houses of Parliament.

¹⁹ [HLDeb 24 Mar 2014 cGC129](#)

²⁰ See DCLG, *Summary of responses on consultations to proposals to establish the combined authorities*, March 2014

²¹ [HCDeb 18 Mar 2014 c706](#)

²² Brandon Lewis, *Combined authorities’ governance and transparency*, 4 April 2014

legislation, which is not expected until after the 2015 General Election. The Government has said that it anticipates the first election taking place in 2017. The Manchester elected mayor will also become, *ex officio*, the Police and Crime Commissioner for Greater Manchester (reflecting the position of the Mayor of London).

This proposal builds on a number of previous suggestions. The [Heseltine Review, *No Stone Unturned*](#), published in October 2012, recommended that it should be possible to elect ‘conurbation-wide’ mayors, for areas larger than individual local authorities. The idea reflects the fact that ‘functional economic areas’ in many parts of England cover more than one local authority. In particular, the ten largest city authorities in England, which were obliged under the Localism Act to hold a mayoral referendum in 2012, each form part of a wider economic area, which their mayoralty would not have covered. Heseltine recommended:

We also need to strengthen the legislation that underpins combined and other authorities that want to collaborate to ensure that local people can choose whether to elect a mayor. They should also be able to do so for wider city conurbations if they so wish. At present, legislation does not provide for conurbation mayors. It is also interesting to note Sir Peter Soulsby was elected Mayor of Leicester and Joe Anderson Mayor of Liverpool, without a referendum, because the local authorities decided that this would make their governance more effective. The Government at this stage should hold urgent consultation and, where broad local support exists, act to facilitate such developments without a referendum.

Recommendation 15: Legislation should be passed to enable combined local authorities, and other combinations of authorities, that wish to elect a conurbation mayor to do so.²³

The Centre for Cities had earlier proposed the introduction of ‘metro mayors’, covering a wider area than that of individual local authorities, in its 2011 report [Big shot or long shot?](#). The Centre for Cities’ advance note on the Government’s response recommended that:

Government should support conurbation mayors in functional economic areas where local areas indicate an interest, and should reconsider introducing this option (with additional powers on the table) from 2015.²⁴

The Government’s response to the Heseltine Review was published in March 2013. It accepted the Review’s recommendation to introduce directly-elected mayors for combined authority areas.²⁵

5 Background: the metropolitan counties

Six ‘metropolitan counties’ were established under the *Local Government Act 1972*. This Act introduced a major reorganisation of local government boundaries across Great Britain, merging many smaller district councils and altering the boundaries of many county council areas.

The six metropolitan counties were West Midlands (Birmingham, the Black Country and Coventry); Merseyside (Liverpool, Birkenhead and surrounding areas); Greater Manchester; West Yorkshire (Leeds, Bradford and surrounding areas); South Yorkshire (Sheffield and surrounding areas) and Tyne & Wear (Newcastle, Sunderland and surrounding areas). Prior

²³ Lord Heseltine, [No Stone Unturned in Pursuit of Growth](#), October 2012, p. 57

²⁴ Centre for Cities, [Turning over all the stones](#), March 2013, p.10. See also Dmitry Sivaev and Rachel Smith, [Mayoral Manoeuvres: How big is the job facing city-mayors?](#), Centre for Cities, April 2012, p.6-7

²⁵ HM Treasury, [Government’s response to the Heseltine Review](#), 2013, p.47

to the 1972 reforms, none of these counties existed. In many cases, they included areas which had traditionally been located in two or three different county areas (though most had had their own borough government before 1972, rather than being covered by the county council). Their new boundaries were drawn with considerable regard to 'functional economic geography' – encircling cities and their hinterlands, with limited account taken of traditional local area boundaries.

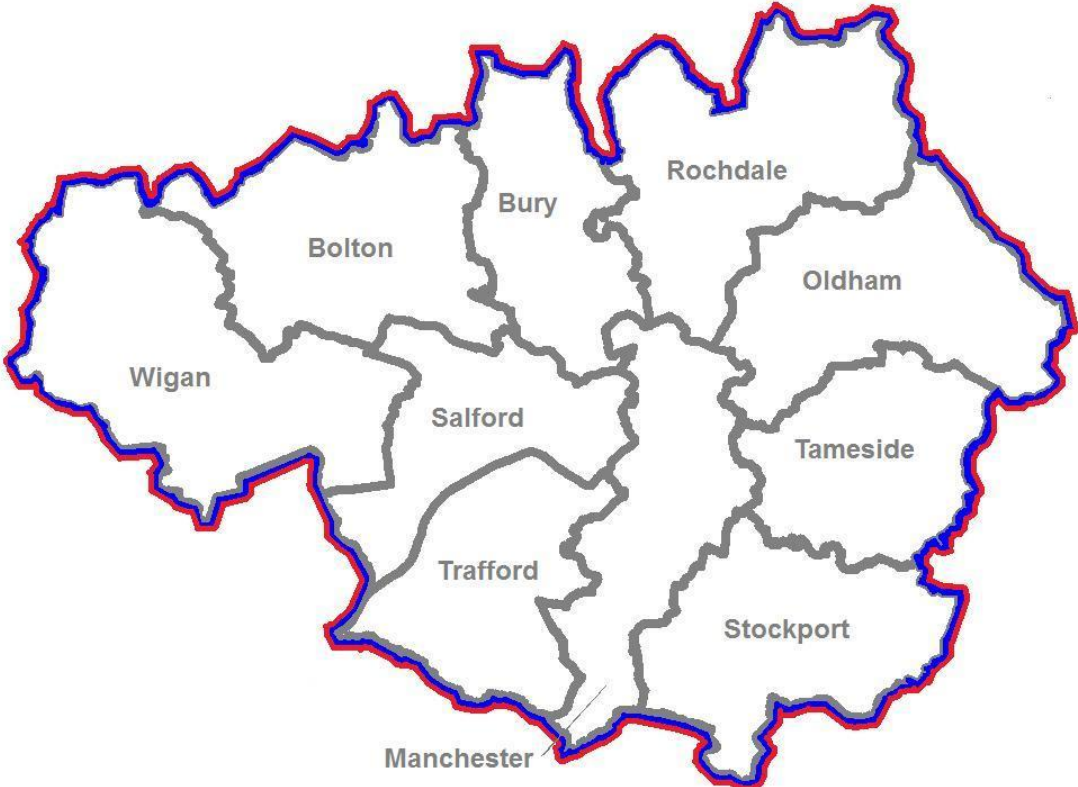
The metropolitan counties existed alongside a lower tier of 'borough' governments. The distribution of functions between the tiers of government in the metropolitan county areas was different from that between county and district councils elsewhere. Metropolitan counties handled police, fire, passenger transport, waste disposal, economic development, and land-use planning. This was a similar range of functions to that covered by the Greater London Council (and latterly the Greater London Authority).

The metropolitan counties were abolished by the *Local Government Act 1985*, following the Conservative government's 1984 White Paper *Streamlining the Cities*. Some of their functions were passed to the borough authorities, which remain in place now in those areas as the only level of elected local government. Some of their functions, such as police, fire, and passenger transport authorities, were taken over by joint committees.

The Greater Manchester, Sheffield and West Yorkshire combined authorities cover the same areas as former metropolitan counties. The Liverpool City Region combined authority covers all of the former Merseyside, but also the borough of Halton, which was within the Cheshire County Council area until becoming unitary in 1998. The North-Eastern proposal covers a wider area than the former Tyne & Wear metropolitan county. It covers most of the 'North-East region' which was offered a referendum on regional government in 2004. Teesside and Darlington were in the North-East region, but that area has its own Local Enterprise Partnership.

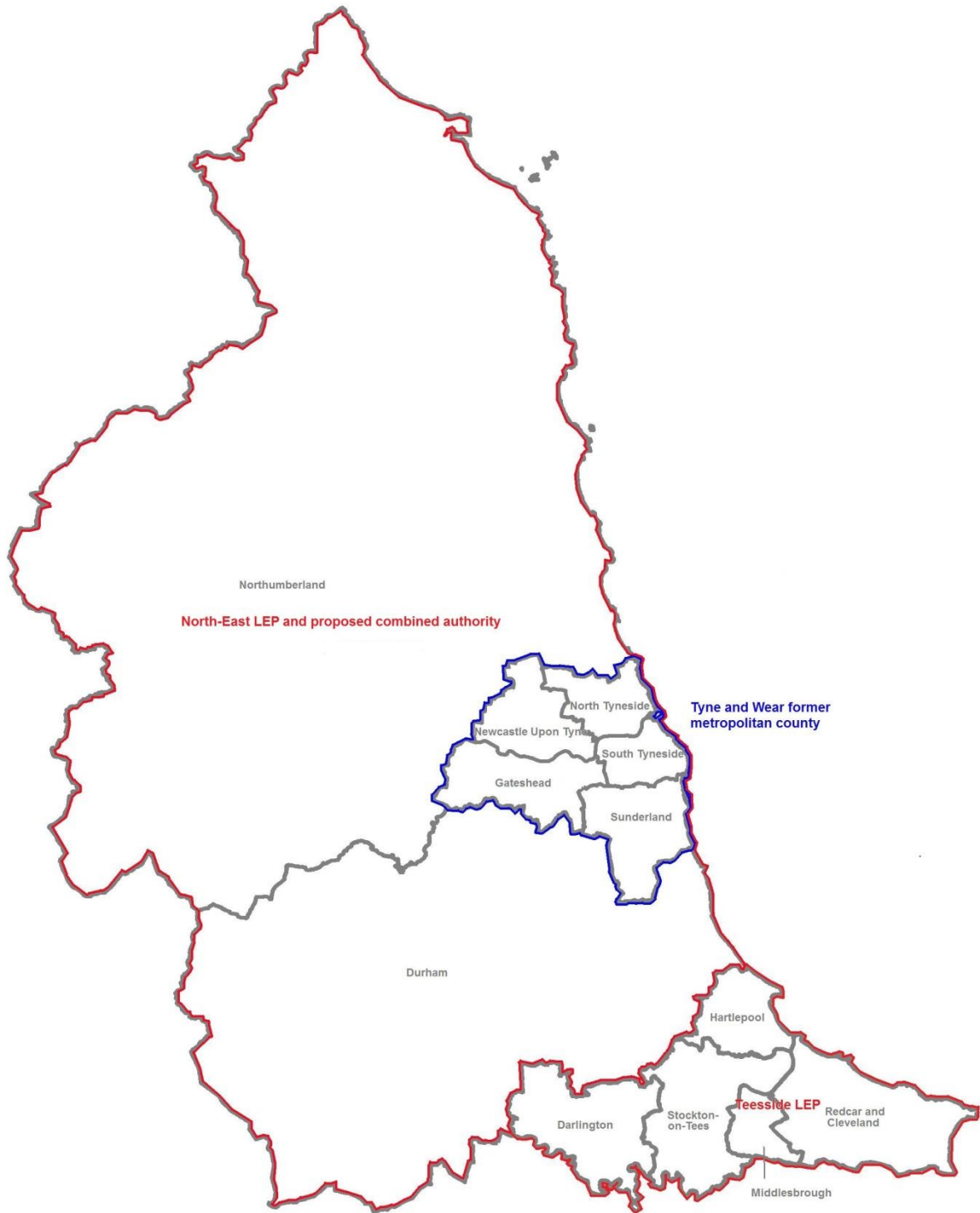
Appendix: maps of combined authority areas

Greater Manchester Combined Authority



- Key
- Blue line** Greater Manchester former metropolitan county
 - Red line** Greater Manchester LEP and combined authority






North-East Combined Authority



West Yorkshire and Sheffield combined authorities



Key

- | | |
|---|-----------------|
|  County boundaries | 1 Rotherham |
|  Combined Authority boundaries | 2 Bolsover |
|  Local authority boundaries | 3 Chesterfield |
|  Leeds LEP | 4 NE Derbyshire |
|  Sheffield LEP | |

Liverpool City combined authority

