

EXPLANATORY MEMORANDUM TO
THE LIVERPOOL CITY REGION COMBINED AUTHORITY (FUNCTIONS AND
AMENDMENT) ORDER 2017

2017 No. 430

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

- 2.1 The Order provides for certain functions of the Combined Authority's constituent councils and certain public authorities to be exercised by the Liverpool City Region Combined Authority, and certain specified functions of the Combined Authority to be exercisable only by the Mayor of the Combined Authority and for certain governance arrangements of the Combined Authority.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 The report required by section 105B(9) of the Local Democracy, Economic Development and Construction Act 2009 ("the 2009 Act") is attached to this Explanatory Memorandum.

Other matters of interest to the House of Commons

- 3.2 This entire instrument applies only to England.
- 3.3 The instrument applies only to England as it is entirely concerned with local government areas in England. Section 103(2) of the 2009 Act provides that a combined authority may be established in relation to local government areas in England. The instrument does not give rise to minor or consequential effects outside England.
- 3.4 In the view of the Department, for the purposes of House of Commons Standing Order 83P, the subject-matter of this instrument would be within the devolved legislative competence of the Northern Ireland Assembly if equivalent provision in relation to Northern Ireland were included in an Act of the Northern Ireland Assembly as a transferred matter; or the Scottish Parliament if equivalent provision in relation to Scotland were included in an Act of the Scottish Parliament; or the National Assembly for Wales if equivalent provision in relation to Wales were included in an Act of the National Assembly for Wales.
- 3.5 The Department has reached this view because it considers that the primary purpose of the provisions in the instrument relate to local government, which is within the devolved legislative competence of the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales. The primary purpose of the subject-

matter of the instrument is not within schedule 5 to the Scotland Act 1998 and is not otherwise outside the legislative competence of the Scottish Parliament (see section 29 of that Act); the primary purpose of the subject matter of the instrument is not within Schedules 2 or 3 to the Northern Ireland Act 1998 and is not otherwise outside the legislative competence of the Northern Ireland Assembly (see section 6 of that Act); and the primary purpose of the subject-matter of the instrument of the instrument is not within Schedule 7 to the Government of Wales Act 2006 and is not otherwise outside the legislative competence of the National Assembly for Wales (see section 108 of that Act).

4. Legislative Context

- 4.1 Part 6 of the 2009 Act, as amended by the Cities and Local Government Devolution Act 2016 (“the 2016 Act”), provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions of a local authority, and power to exercise specified functions of any other public authority.
- 4.2 The Combined Authority was established by the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014 (S.I. 2014/865); and the position of elected Mayor for the Combined Authority is established by the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority (Election of Mayor) Order (S.I. 2016/782). The Combined Authority passed a resolution at a meeting of the Combined Authority on 1st April 2014, in accordance with section 97 of the Local Transport Act 2008, as applied by section s104(4) of the 2009 Act, to change the name by which it is known from the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority to the Liverpool City Region Combined Authority. The Combined Authority sent notice of the change to the Secretary of State.
- 4.3 The Order cites the following powers:
- Section 104(1)(a) of the 2009 Act (Constitution and functions: transport): the Secretary of State may by order make any provisions relating to constitutional arrangements to be made in relation to a combined authority that may be made in relation to an integrated transport authority under section 84 of the Local Transport Act 2008 (constitutional arrangements).
 - Section 105 of the 2009 Act (Constitution and functions: local authority functions generally): the Secretary of State may by order provide for a function of a local authority that is exercisable in relation to the combined authority’s area to be exercisable by the combined authority in relation to the combined authority's area. An order under this section may also make provision for the function to be exercisable by the combined authority concurrently with the local authority and make provision for the function to be exercisable by the combined authority either generally or subject to such conditions or limitations as may be specified in the order.
 - Section 105(3) of the 2009 Act (Constitution and functions: local authority functions generally): the Secretary of State may by order enable provision to be made in relation to a combined authority that may be made in relation to an economic prosperity board under section 92 (funding).
 - Section 105A(1)(a), (1)(b), (2) and (3)(b) of the 2009 Act (Other public authority functions): the Secretary of State may by order provide for a function

of a public authority, that is exercisable in relation to a combined authority's area, to be a function of the combined authority, and to make provision by order conferring on a combined authority in relation to its area a function corresponding to a function that a public authority has in relation to another area.

- An order under subsection (1)(a) or 1(b) may include further provision about the exercise of the function including provision for the exercised of the function to be subject to conditions or limitations. An order under subsection (1)(a) may include provision for the function to be exercisable by the combined authority concurrently with the public authority.
- Section 107D(1), (7)(c), (7)(d) and (7)(e) of the 2009 Act (Functions of mayors general): the Secretary of State may by order provide for any function of a mayoral combined authority to be a function exercisable only by the mayor; such an order may confer ancillary powers on the mayor for the purposes of the exercise of general functions and authorise the mayor to appoint one person as the mayor's political adviser.
- Section 107E(1) of the 2009 Act (Joint exercise of general functions): the Secretary of State may by order make provision for, or in connection with, permitting arrangements under section 101(5) of the Local Government Act 1972 to be entered into in relation to general functions of a mayor for the area of a combined authority.
- Section 107(G)(1) of the 2009 Act (Mayors for combined authority areas financial matters): the Secretary of State may by order provide that provisions for the cost of the mayor for the area of a combined authority, that are incurred in, or connected with, the exercise of mayoral functions to be met from precepts issued by the authority.
- Section 113A of the 2009 Act (General power of EPB or combined authority): a combined authority may do anything it considers appropriate for the purposes of the carrying-out of any of its functions (its “functional purpose”), incidental to its functional purpose, for purposes indirectly incidental to its functional purpose, or anything it considers to be connected with its functions.
- Section 114 of the 2009 Act (Incidental etc provision): the Secretary of State may by order make incidental, consequential, transitional or supplementary provision for the purposes of, or in consequence of, an order under this Part or for giving full effect to such an order.

4.4 Orders under section 105 and 105A may make provision for the function to be exercisable by the combined authority either generally or subject to such conditions or limitations as may be specified in the order. When laying before Parliament an order which confers public authority functions on a combined authority, the Secretary of State must also place a report before Parliament which sets out the effect of the order and why the Secretary of State considers it is appropriate to make it. The report must include any consultation and information which has been taken into account, as well as any other evidence or contextual information that the Secretary of State considers it appropriate to include.

4.5 Parliamentary approval (through a resolution of each House) is required before the Secretary of State can make the Order establishing the combined authority.

5. Extent and Territorial Application

- 5.1 This instrument extends to England and Wales as the relevant powers being exercised extend to England and Wales.
- 5.2 The territorial application of this instrument is set out in Section 3 under “Other matters of interest to the House of Commons”.

6. European Convention on Human Rights

- 6.1 Andrew Percy, Parliamentary Under Secretary of State at the Department for Communities and Local Government, has made the following statement regarding Human Rights:

“In my view the provisions of the Liverpool City Region Combined Authority Order (Functions and Amendment) 2017 are compatible with the Convention rights.”

7. Policy background

What is being done and why

- 7.1 Combined authorities may exercise specified functions across a number of local government areas. They provide a stable, efficient, and accountable form of governance both to underpin the local authorities’ collaboration and to facilitate that partnership with business, particularly with the Local Enterprise Partnerships for the area, which is essential for the effective promotion of economic growth.
- 7.2 The Government committed in its 2015 manifesto to “devolve powers and budgets to boost local growth in England...to large cities which choose to have elected mayors”. The Government considers such devolution will boost economic growth, increase public service efficiency, improve Britain’s weak productivity, and rebalance the economy, as the Government builds an economy that works for everyone. Devolution will provide local leaders with the levers they need to boost economic growth. It is local areas themselves who are often best placed to take decisions relating to the area about the use of public money and assets, support for business, infrastructure investment, and decisions on housing. With devolution, Government investment in economic development can be tailored directly to the individual challenges and opportunities particular places and communities face and can effectively be augmented by private sector investment. Devolution will allow greater local integration of public service delivery, increasing public service efficiency and improving outcomes.
- 7.3 This Order is a significant step in the implementation of the Devolution Deal which the Government agreed with Liverpool City Region Combined Authority on 17 November 2015. This agreement provides for powers to be conferred on Liverpool City Region Combined Authority, with certain powers to be exercised by the Mayor, as well as devolving significant funds, including investment funds of £900 million over 30 years. Under the Devolution Deal, and conditional on the legislative and statutory processes, there will be a directly elected mayor for the Liverpool City Region Combined Authority from May 2017. The elected mayor will become the Chair of the Combined Authority. The Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority (Election of Mayor) Order (S.I. 2016/782), made on 19 July 2016 established the position of elected Mayor of the Combined

Authority, with the first election on 4 May 2017 and the elected Mayor taking office on 8 May 2017.

- 7.4 On 24 June 2016 the Liverpool City Region Combined Authority, in conjunction with the councils for the local government areas of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral and the Local Enterprise Partnership, published a governance review and a scheme¹ setting out their proposals for the functions and governance of the Mayoral Combined Authority. The governance review concluded that conferring these functions on the mayoral combined authority would improve the efficiency and effectiveness of governance of economic development, regeneration and transport in the Liverpool City Region combined authority area.
- 7.5 For the Order, the Secretary of State is satisfied that the statutory conditions provided for in the 2009 Act, as amended by the 2016 Act, have been met. These conditions included that no further consultation is required on the proposals; that the proposals are likely to improve the exercise of statutory functions in the Combined Authority area; that where proposals relate to local authority functions and constitutional changes they are appropriate, having regard to the need to reflect the identities and interests of local communities and to secure effective and convenient local government. Specifically, this Order makes provision, as described in the following paragraphs, to confer on the Combined Authority powers, which cover: housing and planning (7.7 – 7.19), and transport (7.20 – 7.21).
- 7.6 The Order confers a number of local authority and public authority functions on and exercisable by the Combined Authority in relation to the Combined Authority area. Provision in section 107D of the 2009 Act enables functions to be conferred on the Combined Authority, to be exercisable by the Mayor individually, or by the Combined Authority (which is chaired by the Mayor).
- 7.7 The 17 November 2015 Devolution Deal agreed that the new directly elected Mayor would have powers to create a statutory spatial framework for Liverpool City Region. This aspect of the deal is being implemented through conferring on the Combined Authority, to be exercisable by the Mayor, a duty to prepare a spatial development strategy. Providing the Mayor with this duty will enable an informed, integrated approach to be taken to spatial planning across Liverpool City Region, based on a clear understanding of the role of places in the city region and connections between them. It is intended to maximise the contribution of development to creating economic growth in the region by ensuring that: employment land need and demand is addressed; housing need is met with improved supply and quality; that this is delivered sustainably, contributing to wider objectives of reducing the burden of health and welfare budgets.
- 7.8 The Order enables this by conferring functions corresponding to those exercised by the Mayor of London under Part 8 of the Greater London Authority Act 1999 in Greater London, with necessary modifications to apply the provisions to Liverpool City Region. The powers provide that development of the spatial development strategy is to be a function exercisable only by the Mayor, and that the plan must have unanimous agreement of the Combined Authority before it is adopted.
- 7.9 The Order confers powers in respect of the Mayor's powers to be consulted on, determine or refuse planning applications of Potential Strategic Importance (PSI) to

¹ <http://councillors.knowsley.gov.uk/documents/s43080/Appendix%20A%20-%20Draft%20LCR%20CA%20Governance%20Review%20Scheme.pdf>

Liverpool City Region, and may direct the local planning authority (with its agreement), concerned to refuse an application, or the mayor may act as the local planning authority, determining the application in the local authority's stead. The PSI criteria will be established in advance of the mayor taking any decisions, via a separate Order. These powers are currently available to the London mayor and the Order enables this by conferring functions corresponding to those exercised by the Mayor of London under sections 2A, 2B, 2C, 2E 2F and 74 of the Town and Country Planning Act 1990 and articles 4,6 and 7 of the Town and country Planning Order 2008. These powers are equivalent to referral and call-in, ensuring that the mayor has oversight of those development proposals (which go through the planning system) and that they accord with the growth goals of the Liverpool City Region and the Mayor's statutory spatial framework. These powers are to be exercised with the agreement of the constituent authorities within whose area(s) the application refers.

- 7.10 The Order confers powers of land acquisition and disposal on the Combined Authority; with compulsory purchase powers to be exercisable by the Mayor with agreement from Combined Authority members representing the area(s) in question. They support the Combined Authority's objective to acquire land to build houses, commercial space and infrastructure, to ensure future growth and allow further development and regeneration in the region. For developments to be taken forward at pace and with certainty the Combined Authority and Mayor need to take decisions and control processes around compulsory purchase.
- 7.11 Land acquisition and disposal powers under the Town and Country Planning Act 1990 enable a local authority to acquire land for planning purposes and enable an authority to appropriate land acquired under other powers for planning purposes so that the land can be disposed of to developers. Land acquisition and disposal powers under the Housing Act 1985 are exercised by local housing authorities. These powers are exercised by local authorities, and will continue to be so when they are conferred on the Combined Authority who will exercise them concurrently with the local authority concerned.
- 7.12 Land acquisition and disposal powers under the Housing and Regeneration Act 2008 are exercised by the Homes and Communities Agency, and will continue to be so in Liverpool City Region when they are conferred on the Combined Authority, who will exercise them concurrently with the Homes and Communities Agency.
- 7.13 Each instance of the Mayor's use of a Compulsory Purchase Order will be subject to the agreement of each Combined Authority member representing the constituent authority or authorities in which the purchased land is located. As with local authority and Homes and Communities Agency powers, the Mayor may only implement a Compulsory Purchase Order with consent of the Secretary of State.
- 7.14 This Order provides for the conferral of the public authority function to designate mayoral development areas and create MDCs on the Combined Authority. This is the first step in establishing a MDC and a further order is necessary to create such a body. The timeline for this order would be dependent on the local area.
- 7.15 The relevant powers concerning MDCs are established in the Localism Act (Part 8, Chapter 2; Schedule 21 and Schedule 22), specifically for the Mayor of London to exercise in relation to the Greater London area. This Order uses the provisions in the 2009 Act, as amended by the 2016 Act, to confer the corresponding functions from

the 2011 Act on the Combined Authority, to be exercised by the Mayor of the Liverpool City Region Combined Authority. The Order provides that:

- References in the 2011 Act to the Greater London Authority (GLA) and the London Assembly are to be read as references to the Combined Authority;
- the Combined Authority to have in relation to its area the corresponding functions that the Mayor of London has in relation to London;
- the Mayor of the Combined Authority must exercise the functions conferred on the Combined Authority;
- the Mayor may only exercise the functions conferred on the Combined Authority if the Combined Authority member for any constituent council whose council area contains any part of the area to be designated consents to the exercise of the functions.
- the 2011 Act provides that the Mayor can designate an area if the Mayor considers that designation of the area is expedient for furthering any one or more of the Greater London Authority's principal purposes. As the Combined Authority does not have "principal purposes" the Order replaces this with a condition that the Mayor must consider that such designation would further "economic development and regeneration in the Combined Authority area"; and
- the persons to be consulted before an area may be designated have been changed to reflect the conditions in the Liverpool City Region Combined Authority.

7.16 The Order modifies the 2011 Act (e.g. substituting references to the GLA and the London Assembly) using powers in section 114 and 117(5) of the 2009 Act in conferring functions corresponding to those of the Mayor of London on the Combined Authority. The Liverpool City Region Combined Authority does not have bodies that mirror the GLA or the London Assembly and therefore the Combined Authority is considered to be an appropriate substitute. This is due to its relationship to the directly elected Mayor of the Combined Authority and the fact its membership is comprised of elected members from the constituent councils.

7.17 Similarly in replacing the London Assembly with the Combined Authority it is considered appropriate that the Mayor of the Liverpool City Region should require the consent of the Combined Authority member for any constituent council whose council area contains part of an area to be designated as a mayoral development area. The provisions in the 2011 Act reflect the circumstances in London, which has its own Assembly with 25 members elected to represent either constituencies or the pan-London area. The Combined Authority does not have an assembly and covers a smaller geography with a membership of six constituent councils, each represented on the Combined Authority board by a member they have nominated. Given the size of the board's membership, if member(s) in an area within a proposed mayoral development area did not provide consent, this would mean the Mayor would lack substantial support from the local area to proceed with their proposals.

7.18 The reason for economic development and regeneration replacing the principal purposes of the GLA is that combined authorities do not have such purposes however, to establish a combined authority it is necessary for the proposals to meet statutory tests, defined in the 2009 Act. These tests require that the Secretary of State considers that making an order giving a combined authority a particular function is likely to

improve the exercise of that function. The Liverpool City Region Combined Authority currently holds functions related to economic development and regeneration, as well as transport, and therefore these are currently the purposes on which the Combined Authority operates. The Greater London Authority Act 1999 includes a list of the GLA's principal functions, which includes promoting economic development and wealth creation in Greater London. In replacing the GLA's principal purposes with economic development and regeneration in the Liverpool City Region, this closely mirrors the provisions in the 2011 Act.

- 7.19 Section 197 of the 2011 Act requires the Mayor of London to lay before the London Assembly, in accordance with standing orders of the Greater London Authority, a document stating that the Mayor is proposing to designate a mayoral development area. If at least two-thirds of London Assembly members vote to reject the proposal on a motion within 21 days of the document being laid they can veto it. This Order, where possible, mirrors the provisions from the 2011 Act, substituting the Combined Authority for the London Assembly, including this two-thirds requirement.
- 7.20 In relation to transport, and in addition to the transport functions already conferred on the Combined Authority in relation to transport, the Order includes provisions for the Combined Authority to:
- a) have the functions of a Minister of the Crown in respect of the allocation of the devolved transport budget contained in section 31 of the Local Government Act 2003 (power to pay grant) in relation to the Combined Authority area, a power to be held concurrently with the Secretary of State
 - b) engage with Highways England and local highway authorities about construction, improvement, and maintenance of roads: sections 6 and 8 of the Highways Act 1980, a power to be held concurrently with local authorities.
 - c) promote road safety in the same way as a local authority: section 39(2) and (3) Road Traffic Act 1988, a power to be held concurrently with the Secretary of State;
 - d) exercise the traffic regulation functions in the same way as a local authority: section 1(d), 2(4)(e) and 9(f) of the Road Traffic Regulation Act 1984.
- 7.21 These powers will enable alignment of decisions around the highway network, and provides a means to better integrate land use planning and transport decision making at a strategic level, linked to the City Region's planning framework. This will further improve the exercise of key highways functions.
- 7.22 In constitutional terms, the Order makes a number of changes to incorporate the elected mayor. Liverpool City Region combined authority has been in existence, in non-mayoral form, focussing on transport and economic development and regeneration since 2014. The Order provides that the functional power of competence exercisable by the Combined Authority under section 113A of the 2009 Act is also exercisable by the Mayor. This provision has the effect of confirming the Mayor's power to do things appropriate or incidental to those functions indicated as exercisable by the Mayor.
- 7.23 The Order provides for the funding of the Combined Authority for the functions within this Order. It does this by providing that the constituent authorities must meet the costs of the Combined Authority reasonably attributable to its functions. The Order then provides that the constituent councils may agree the respective proportions they will pay; in absence of this agreement, the proportions are to be calculated by

reference to their respective shares of the total resident population, as estimated by the Statistics Board, as required by section 25 of the Statistics and Registration Services Act 2007.

- 7.24 The Order permits the Mayor to appoint one person to act as political adviser, for the period of the Mayor's term; or until the Mayor leaves office, if the Mayor leaves before the end of their term. This ensures the Mayor has access to political advice, in addition and separately to appropriate officer support, and within proportionate resource.
- 7.25 Finally, the Order makes constitutional amendments to the Combined Authority Establishment Order. These include:
- the removal of provisions for the Chairman and Vice-Chairman and the definition of the elected Mayor and Deputy Mayor (the member appointment by the Mayor) in the interpretation of the Order, and providing for the Deputy Mayor to act as substitute for the Mayor;
 - providing the Mayor with a vote on all matters;
 - that decisions in relation to the Combined Authority constitution or standing orders, management, maintenance and funding of the Key Route Network, transitional arrangements on transport are subject to a unanimous vote in favour by constituent council members; unanimous approval is also required for the Spatial Development Strategy, annual budget setting and financial plans; and
 - providing that the Combined Authority must use the recommendations of an established independent remuneration panel to set any allowance payable to the Mayor, and that no remuneration is payable to its members, other than allowances for travel and subsistence, or for special responsibility allowances.
- 7.26 Liverpool City Region have also asked that the name of the combined authority as given in legislation "The Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority" be changed to "Liverpool City Region Combined Authority" following the resolution, passed by the Combined Authority on 1 April 2014, in accordance with the requirements of Section 97 (2) of the Local Transport Act 2008 as applied by Section 104(4) of the Local Democracy, Economic Development and Construction Act 2009. The Combined Authority will be referred to by that name in legislation from this point forward.

8. Consultation outcome

- 8.1 As required by statute, the Combined Authority undertook consultation on the proposals contained in the review the Combined Authority had carried out on its proposed new governance arrangements and the scheme setting out the proposals for the mayoral combined authority and the powers the Combined Authority considered should be conferred on it. The Combined Authority led the consultation, delivered in conjunction with all local authorities in the Liverpool City Region and the Local Enterprise Partnership. The consultation ran for 6 weeks from 24 June to 5 August 2016.
- 8.2 The consultation consisted of a variety of methods and media, including engagement with regional and local media; web content, locally adapted for constituent authority sites; social media; workshops with elected members; targeted letters to key stakeholders; hard copies of material available in public buildings such as libraries

and constituent authority reception areas. This was supported by a toolkit developed for combined and constituent authority communications teams. 930 responses were received, including 806 from members of the public, 24 from the business sector, 28 from the public sector, and 29 from the third sector. The Liverpool City Region Combined Authority produced a summary of responses to the consultation which included a statistical analysis of responses on each policy theme, pulling out key quotes from partners and stakeholders.²

- 8.3 In accordance with the requirements at section 110(2) of the 2009 Act, the Secretary of State has reviewed the local areas' consultation, and is of the view that no further consultation is necessary. The Secretary of State is satisfied that the Combined Authority's consultation was sufficient in terms of its length (6 weeks); the mechanisms used (online and paper versions and responses); the promotional activity (media engagement, social media, workshops with elected members, letters to stakeholders); and the analysis undertaken. The Secretary of State has also been sent the local areas' summary of responses to the consultation, to which he has had regard.
- 8.4 Consultation responses were broadly supportive, particularly on the key areas where this Order confers powers in relation to housing and planning and transport. 74% responded positively to the proposals on housing and planning overall, with all key stakeholders responding positively. Of a total response of 182 on the theme, far fewer focused on CPO: 5 positively, 4 negatively. 'Together Liverpool', a local church association, supported the powers being transferred, in the context of stressing the importance of social housing; the Homes and Communities Agency were strongly supportive, specifically recommending the combined authority's powers should be widely drawn to enable purchase for any of the combined authority's objectives. They also received 24 positive consultation responses regarding the Spatial Framework element of their proposals, against 4 negative. Riverside Group (housing association) welcomed the development of a Spatial Framework in the context of building a strategic partnership on housing at city region level. The Homes and Communities Agency also supports conferral of these responsibilities.
- 8.5 Of the 182 responses to LCRCA's consultation on the transport theme, the majority were supportive (80%). Integration, investment in highways, and connectivity all yielded a majority of positive comments. In short, the exercise of key highways functions will thus be markedly improved.
- 8.6 The Secretary of State has decided not to implement by the Order all of the proposals that formed part of the scheme, which was consulted on by the six councils. In order to devolve the powers agreed in the devolution deal (regarding bus franchising and smart ticketing, business rates and skills) and implement the commitment at Autumn Statement to extend borrowing powers to cover the Combined Authority's new functions, the Government will seek Parliament's approval to further legislation. The other proposals, principally those relating to powers for borrowing, devolving powers for provision of careers advice, and devolving Greater London Authority type enforcement powers for highways which have not been implemented would be taken forward in future legislation, subject to the statutory tests being met.

² <http://councillors.knowsley.gov.uk/documents/s44315/Item%206%20-%20Appendix%20One.pdf>

9. Guidance

- 9.1 No guidance is necessary to accompany this Order. The Government continues to work with colleagues in the Combined Authority area to support their implementation of the Devolution Deals.

10. Impact

- 10.1 There is no impact on business, charities or voluntary bodies.
- 10.2 As regards impact on the public sector, the Combined Authority should lead to operational efficiencies that could lead to reduced costs. Indeed, the statutory tests require the Secretary of State to consider that establishing the Combined Authority is likely to improve the exercise of statutory functions in the areas to which an order relates and the Secretary of State is required, to have regard to the need to secure effective and convenient local government. As explained at paragraph 7.5, the Secretary of State is satisfied that these tests are met in relation to the provisions of the Order.
- 10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

- 11.1 The legislation does not apply to activities that are undertaken by small businesses.

12. Monitoring & review

- 12.1 This Order provides for the conferral of functions on the Combined Authority. The Combined Authority will be required, under the devolution agreements reached with Government, to put in place an extensive programme of evaluation, agreed with HM Treasury, of the devolution agreement, including the new governance arrangements.

13. Contact

- 13.1 Luke Scofield at the Department for Communities and Local Government Telephone: 0303 444 2562 or email: luke.scofield@communities.gsi.gov.uk can answer any query regarding the instrument.