

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

DECISION

meeting date: TUESDAY 23 JANUARY 2024
title: LANCASHIRE COMBINED COUNTY AUTHORITY AND DEVOLUTION
PROPOSAL
submitted by: MARSHAL SCOTT, CHIEF EXECUTIVE
principal author: MARSHAL SCOTT, CHIEF EXECUTIVE

1 PURPOSE

1.1 To provide an update for members on the proposed establishment of a Lancashire Combined County Authority and determine if we wish to respond to the consultation.

1.2 Relevance to the Council's objectives and priorities:

Community Objectives

Corporate Priorities

Other Considerations

} None directly arising from this report.

2 BACKGROUND

2.1 In February 2022, the Government published its White Paper on Levelling Up, a significant set of proposals which sought to address geographical disparities in funding, productivity, and growth across England.

2.2 The resulting legislation, the Levelling-up and Regeneration Act 2023 (which came into force on 26 December 2023), allows for the creation of new Combined County Authorities (CCAs) which require the agreement of upper-tier Local Authorities in the area.

2.3 As part of the autumn budget statement on 22 November 2023, the government announced the opportunity for a devolution deal for Lancashire and proposed the creation of a Combined County Authority for the administrative area covered by the three upper tier Councils, Blackburn with Darwen Borough Council, Blackpool Council and Lancashire County Council.

2.4 The Leaders of the three Councils have overseen negotiations with Government to agree the basis of a proposed devolution deal. The Deal document, sets out the basis for the deal, including the key powers to be devolved, main objectives of the proposed CCA and the governance principles.

2.5 Full details of the proposed deal are available at:

<http://www.gov.uk/government/publications/lancashire-devolution-deal>.

The proposed deal is subject to a public consultation process across the area in accordance with the statutory requirements. There is no separate consultation for District Councils if we respond it will be via the public consultation.

2.6 Following consultation, the three Councils will need to submit their final Proposal to Government, which will take account of the outcome of the consultation, and which, if appropriate, will formally propose the creation of the CCA.

- 2.7 It is anticipated that a further meeting of each of the three Councils in March 2024 will consider the results of the consultation and agree whether or not to formally submit the final Proposal to Government.
- 2.8 The proposed devolution deal for Lancashire does not include the creation of a directly elected mayor. Instead, the CCA would be made up of existing elected councillors to provide overall vision and leadership.

3 THE COMBINED COUNTY AUTHORITY

- 3.1 The main elements of the Proposal (if approved) are as follows:
- 3.2 Lancashire County Council, Blackburn with Darwen Borough Council and Blackpool Council will form a CCA, to provide overall vision and leadership, seek the best value for taxpayer's money, and be accountable to local residents.
- 3.3 The arrangements will include the integration of the relevant functions of the Lancashire Local Enterprise Partnership (LEP) into the CCA, ensuring that there continues to be a strong and independent local business voice in the form of a Lancashire Business Board which informs local decision making and strategic economic planning. In absorbing the role and functions of the Growth Lancashire Company, LEP Growth and Skills and Employment Hubs, LEP Investment Team, and destination management/visitor economy, the Lancashire CCA will deliver a number of functions on behalf of the central government departments.
- 3.4 It is proposed that the CCA will have new powers to better shape local skills provision to ensure these meet the needs of the local economy. This will include devolution of adult education functions and the core Adult Education Budget, and the opportunity to further refine the Local Skills Improvement Plan.
- 3.5 There will also be new powers to improve and better integrate local transport, including the ability to develop the Bus Service Improvement Plan (BSIP) partnership and strengthen co-ordination of local transport functions.
- 3.6 Subject to funding, policy and delivery considerations at the next Spending Review, Government's expectation is that delivery responsibility for the UK Shared Prosperity Fund (UKSPF), will be aligned with devolution deal responsibilities. This would mean that the proposed CCA could have such responsibilities from 2025/26.
- 3.7 The CCA will have the ability to exercise compulsory purchase powers to help drive the regeneration of the area and to build more affordable homes, subject to the agreement of the Constituent Council and the Local Planning Authority where the relevant land is located.
- 3.8 The area will receive up to £20 million capital funding in the current Spending Review period to support innovation led growth (including assets to maximise the benefits of National Cyber Force) and net zero ambitions across Lancashire. This investment is subject to agreement of the relevant business cases.
- 3.9 The CCA will form a Local Visitor Economy Partnership to help further develop the region's visitor economy. It will also deliver innovation-led growth, including working with Government to capitalise on Lancashire's economic potential in growing the Energy and Low Carbon sector.

4 ADDITIONAL FUNDING FOR LANCASHIRE

- 4.1 The Deal includes up to £20 million capital funding in the current Spending Review period to support innovation led growth and net zero ambitions across Lancashire. This investment is subject to agreement of the relevant business cases. The portfolio of capital regeneration projects will drive growth and levelling up across Lancashire and includes:

- a) Assets to maximise the benefits of the National Cyber Force and a proposed Innovation Hub in Lancashire
- b) Blackburn Tech Innovation Quarter (TIQ)
- c) Silicon Sands, Low Carbon Data Centre Demonstrator, Blackpool Airport Enterprise Zone
- d) Cosy Homes in Lancashire (CHiL) - additional capital investment for extending an existing domestic retrofit scheme.

The recent Network North announcement also suggests that:

- e) The proposed CCA will receive a proportion of the £2.5 billion announced as part of Network North to transform local transport in areas in the North outside of the big city regions.
- f) The proposed CCA will receive a proportion of the £770 million of funding for Bus Service Improvement Plans in the North.
- g) The proposed CCA will receive a proportion of the £3.3 billion funding to fix potholes in the North.

5 HOW THE CCA WILL WORK

5.1 A CCA is proposed as a way for the three upper tier Authorities in Lancashire to work more closely together, and to receive devolved powers from the Government. It is not an additional tier of local government; it is a way for existing locally elected representatives to have more say over decisions that affect the area. In order to deliver this, the proposed arrangements are outlined below.

5.2 It is proposed that the CCA Board will be made up of up to 8 members:

- Four elected members, consisting of a lead/executive member for each constituent council and one further member appointed by Lancashire County Council.
- Two non-constituent members, who will be nominated by the district and borough councils to represent the interests of district and borough councils on the CCA.
- Up to two further associate or non-constituent members, to be appointed by the CCA.

5.3 It is thought that the voice of business will be a critical component in the future proposed CCA, given that a key area of focus would be economy, industry, and business. The proposed CCA will appoint an Associate Member who can represent the views of business on the proposed CCA.

5.4 The proposed CCA will ensure that the Lancashire Police and Crime Commissioner (PCC) is invited to attend and participate in CCA meetings as an observer, or as a non-constituent member. This will ensure close collaboration and productive joint working between the CCA and PCC.

5.5 Proposals for decisions by the CCA may be put forward by any constituent member. All constituent members will have one vote. Constituent members will work towards the principle of unanimity on all key decisions. Other questions that are to be decided by the CCA are to be decided by a simple majority of the members present and voting, unless otherwise provided for in legislation. Decisions requiring unanimity amongst the constituent members will include:

- a) Approval of the CCA's budget, including significant financial decisions.
- b) Approval of the policy framework, which will include:
 - Corporate Strategy

- Economic Growth Strategy
- Skills and Employment Strategic Framework
- The Local Transport Plan, Bus Service Improvement Plan (BSIP) and the Local Cycling and Walking Infrastructure Plan (LCWIP)

c) Appointment of the Chief Executive

d) Approval of and significant amends to the Constitution.

5.6 The following decisions will require the consent of the lead member of the relevant constituent council, or substitute members acting in their place, in whose area the decision will apply:

a) Compulsory purchase of land or buildings by the CCA

b) The exercise of compulsory purchase power will also require the consent of the relevant planning authority

c) Any decision by the CCA that could lead to a financial liability falling directly upon that constituent council

d) Such other matters as may be contained within the CCA constitution.

5.7 In accordance with the Levelling Up and Regeneration Act 2023, the proposed CCA would have the power to grant voting rights to the non-constituent members. The responsibility for agreeing any such rights would rest with the constituent members of the CCA and would be set out in the CCA's constitution. The Levelling Up and Regeneration Act 2023 does not allow associate members to vote.

5.8 The CCA will be responsible for agreeing its own constitution, including chairing arrangements, meeting procedures and decision-making processes. Whilst the work to develop a constitution will not be finalised until the outcome of the consultation is known and the decision made on whether to formally proceed, some aspects have been agreed in principle, including that Lancashire County Council, will Chair the CCA, and that this and the rest of the constitution will be subject to annual review. The CCA will have a Scrutiny Committee, as well as an Audit Committee. In addition, the CCA may establish sub-committees or advisory boards as it deems necessary.

6 DISTRICT COUNCIL INVOLVEMENT

6.1 The CCA model, as established by the Levelling-up and Regeneration Act 2023, says that only Upper Tier Local Authorities can be constituent members. However, it is recognised that it will be essential to ensure that the voice of the district councils in Lancashire is heard.

6.2 To achieve that, district councils will be invited to nominate two "non-constituent" members to serve as members of the CCA. ***The Act gives the CCA the right to grant voting rights to the non-constituent members.*** The responsibility for agreeing any such rights rests with the constituent members of the CCA and would be set out in the CCA's constitution. The current intention is that the district representatives would not have voting rights.

7 BUSINESS VOICE

7.1 The involvement of business will be necessary to deliver the CCA's aims and ambitions. to achieve this, a "business board" will be established. whilst it will not be a formal part of the CCA's own governance structure, it will link closely to the CCA on matters connected to business, economic growth, skills and investment, and its views will be sought by the CCA on these and other issues.

7.2 A business representative will also have a seat at the CCA table as an associate member.

8 CONSULTATION

8.1 In accordance with the Levelling-up and Regeneration Act 2023, the next step towards the potential creation of the CCA is consultation on the proposal. ***During this consultation, the***

three authorities committed to actively seeking the views of the public and key stakeholders in order to inform the Councils' decisions on the final proposals. The consultation will run for 8 weeks in December 2023 and January 2024.

8.2 It is understood that that the results of the consultation will be considered by further meetings of all three Councils in March 2024.

8.3 The full details about the proposed consultation are included in the Proposal document.

9 NEXT STEPS

9.1 The results of the consultation will be considered in March 2024 when the Councils are asked to agree the final proposals for submission to government. The Devolution Agreement and creation of the CCA will then be subject to formal parliamentary approval in summer and autumn 2024.

10 RISK ASSESSMENT

10.1 The approval of this report may have the following implications:

- Resources – District Councils will lose direct control over the UKSPF in future years, as any UKSPF funding would go to the Combined Authority.
- Technical, Environmental and Legal – None identified.
- Political – None identified.
- Reputation – It is important that Council ambitions reflect the concerns and needs of our communities, and that we deliver on these ambitions.
- Equality and Diversity - Equality and diversity issues will have been considered between the government and the three upper tier authorities involved.

11 RECOMMENDED THAT COMMITTEE

11.1 Consider whether to respond to the public consultation.

Marshal Scott
CHIEF EXECUTIVE

BACKGROUND PAPERS:

REF: MS/

For further information please ask for Marshal Scott, extension 4400