

## Council

Wednesday, 17th January, 2024, 6.00 pm

Shield Room, Civic Centre, West Paddock, Leyland, PR25 1DH

### Agenda

**1 Apologies for absence**

**2 Declarations of Interest**

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are reminded that if the interest is a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct) they must leave the room for the whole of that item.

If the interest is not a Disclosable Pecuniary Interest, but is such that a member of the public could reasonably regard it as being so significant that it is likely that it would prejudice their judgment of the public interest (as explained in the Code of Conduct) then they may make representations, but then must leave the meeting for the remainder of the item.

**3 Lancashire Devolution Deal**

Report of the Chief Executive.

(Pages 3 - 130)

Chris Sinnott  
Chief Executive

Electronic agendas sent to Members of the Council

The minutes of this meeting will be available on the internet at [www.southribble.gov.uk](http://www.southribble.gov.uk)

Forthcoming Meetings

6.00 pm Wednesday, 31 January 2024 - Shield Room, Civic Centre, West Paddock, Leyland, PR25 1DH

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# Agenda Item 3



Report of	Meeting	Date
Chief Executive (Introduced by Leader of the Council and Cabinet Member (Strategy and Reform))	Council	Wednesday, 17 January 2024

## Lancashire Devolution Deal

Is this report confidential?	No
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Is this decision key?	No
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### Purpose of the Report

1. To present a summary of the proposals to create a combined county authority (CCA) and a devolution deal for Lancashire, and to agree the principles of a response to the consultation.

### Recommendations to Council

2. That the council agrees that the response set out at paragraphs 23 to 25 should form the basis of South Ribble Borough Council's response to the consultation.
3. That the Chief Executive be asked to share the council's response to the consultation with local MPs representing the borough.

### Reasons for recommendations

4. The council has been invited to respond to the consultation, and this provides an opportunity for the council to formally agree a response.

### Other options considered and rejected

5. To not submit a response to the consultation. This was rejected as it would mean that the council's views would not be considered in the creation of the combined county authority and finalisation of the devolution deal.

### Executive summary

6. The upper tier councils in Lancashire have agreed a draft devolution deal with the government, and have proposed the creation of a Combined County Authority. These proposals are now subject to consultation. The report sets out a proposed response to that consultation exercise.

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## Corporate priorities

7. The report relates to the following corporate priorities:

<b>An exemplary council</b>	Healthy and happy communities
Opportunities for everyone	Green and clean neighbourhood

## Background

8. At the start of 2022, the councils of Lancashire (including districts, the county council and unitary councils), agreed an outline proposal for a deal for Greater Lancashire. They did this with the intention that it may provide the basis for discussions with the government in creating a devolution deal for the county. The deal included agreement to a series of principles for working together. They were:
- Lancashire authorities do not collectively support a Mayoral Combined Authority or local government reform
  - Each authority would be represented on the decision making body by their Leader
  - Each authority's current services, including statutory functions and discretionary services would not be included in any county deal arrangement without the express agreement of that authority
  - The voting principle is one council, one vote, with a two thirds majority required for any proposal
  - Each council will have a veto if any proposal is in their area, if their money is required or if they can reasonably demonstrate that it is reasonably likely to have a material impact on their area unless there are special circumstances to proceed (e.g. policy, legal, public safety reasons).
  - Individual councils will have the right to leave the Deal and the decision making body arrangements
  - It would initially be chaired by Lancashire County Council which will also act as the accountable body (under some governance models an Accountable Body may not be necessary)
9. In February 2022, the government published the Levelling Up White Paper, which set out a framework for future devolution. This also included a proposal to allow for the creation of a new form of combined authority, a combined county authority consisting of upper tier local authorities in an area.
10. In May 2023, the upper tier authorities in Lancashire (being Lancashire County Council, Blackpool Council and Blackburn with Darwen Council), announced that they were in discussions with the government with the aim of creating a devolution deal for Lancashire. The intention was that the deal would be a 'level two' deal under the Levelling Up and Regeneration Act 2023, with a Combined County Authority which can only include upper tier authorities.
11. After discussions at the Lancashire Leaders forum, the county council agreed to brief the Chair and Vice-Chair of the District Leaders Forum as negotiations with government continued. District councils, however, have not played any role in the development of the proposals which have largely remained confidential until they were published in November 2023. The Leader of the Council, along with seven other district leaders, sent a letter to the Minister at the end of November to raise concerns about the process and ask for a pause in the process. The letter is included at Appendix D.

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## Lancashire Devolution Deal Proposals

12. The devolution deal is included as Appendix A to this report. A more detailed proposal document has been produced for consultation. This is included at Appendix B, and summarised below.
13. The proposals are to create a CCA that should provide the governance arrangements required for a 'Level 2' devolution deal.
14. The functions of the Lancashire Local Enterprise Partnership will be integrated into the CCA. A Lancashire Business Board will be established to inform local decision making and strategic economic planning.
15. New powers will be devolved to the CCA. These will include the devolution of Adult Education functions and associated budget. The CCA will also hold powers to improve and better integrate local transport, including the ability to introduce bus franchising subject to approval from the Secretary of State.
16. Subject to funding, policy and delivery considerations at the next Spending Review, the UK Shared Prosperity Fund (UKSPF) will be the responsibility of the CCA, with a commitment within the proposal document that the CCA will work with district councils in an advisory capacity. The proposal outlines that the delivery of any arrangements will build on the current district-led arrangements and align with the Lancashire 2050 strategy.
17. The devolution deal includes up to £20 million of capital funding to support identified projects:
  - a. £6m to create an Innovation Hub at Samlesbury Enterprise Zone
  - b. £6m for the Blackburn Technology Innovation Quarter
  - c. £6m for a Low Carbon Data Demonstrator Centre at Blackpool Enterprise Zone
  - d. £2m to extend the Cosy Homes in Lancashire domestic retrofit scheme
18. The proposed CCA would have up to eight Members in total, comprising:
  - a. Four Constituent Members (with Lancashire County Council appointing two members and Blackburn with Darwen and Blackpool Councils appointing one each)
  - b. Two Non-Constituent Members nominated by the District Councils within the area
  - c. Up to two further Non-Constituent or Associate Members, to be appointed by the CCA
19. The four constituent members would have full voting rights. The CCA would have the power to grant voting rights to the non-constituent members.
20. District Councils will collectively be asked to nominate additional individuals as substitutes and representatives on the Overview and Scrutiny Committee, and Audit Committee

## Consultation on the proposals

21. The proposals are now subject to public consultation until the 26 January, and the council has been invited to participate in the public consultation. The consultation is included at Appendix C and is split into eight sections, asking for a view on strength of opinion from 'strongly agree' to 'strongly disagree', with a section at the end to provide open comments on the proposals.

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22. Set out below is a proposed response to the consultation for consideration by the council. It is proposed that the council will provide a narrative response on the overall proposals.

## Proposed response

23. South Ribble Borough Council recognises that devolution has the potential to secure significant benefits for Lancashire, bringing decision making and accountability closer to residents. Other areas of the north west, most notably Greater Manchester and Liverpool City Region, have already benefited from their devolution deals.
24. Effective devolution should encourage strong economic growth and increased productivity, alongside better health and wellbeing and strengthened public services.
25. Unfortunately, the proposals currently being consulted on are unlikely to lead to those benefits and so South Ribble Borough Council cannot support them. The council has some specific concerns about the proposals. These are set out below, refencing the relevant section of the consultation being referred to:
- a. The proposals for management of future rounds of the UKSPF in **section one** fail to recognise the success of the current round that is currently managed by district councils. Changing it to a more remote body with limited infrastructure to manage successful community schemes will make future success less likely. South Ribble Borough Council believes that responsibility for future rounds of UKSPF should remain with district councils.
  - b. The provision of £6 million of capital investment to Samlesbury Enterprise Zone and £6 million to the Blackburn Technology Innovation Quarter (**section one**) is welcome investment in the county, but are small scale and limited in geographic impact. The council believes that the upper tier authorities proposing the creation of the CCA need to more clearly explain how future investment will be secured and prioritised, identifying how investment will benefit the whole of the county area.
  - c. The devolution of adult education and the core Adult Education Budget at **section two** is welcome, but the proposals beyond that are currently vague and undeveloped. The partners involved in the CCA need to more clearly explain how skills of a large and diverse county area will be served by programmes that are developed.
  - d. The proposals at **section three** demonstrate the importance for partners who are constituent members in recognising the nuances and needs of local areas, as it makes special arrangements for Blackpool Transport Services. This is important in a county the size of Lancashire, but fails to recognise the particular needs of other areas such as South Ribble where the borough as a distinct area is not represented. The proposal includes reference to Network North funding. The announcement from government on Network North included the A582 improvement scheme and the council would like clarity on how this scheme will be supported by the CCA.
  - e. Expanding eligibility criteria for Cosy Homes in Lancashire through an additional £2 million of funding at **section four** is supported, but it must be recognised that the scale of funding is extremely small across the whole county.
  - f. The proposals across **sections five, six and seven** do not appear to add anything that is not already in place across the council. While opening the potential for further discussions with the government and its agencies may be positive, it is not possible to support something with no detail. As with the other

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sections of the proposals, South Ribble Borough Council would welcome devolution in these areas, but the current proposals need to be stronger and more ambitious to realise Lancashire's potential.

- g. **Section eight** sets out the governance arrangements for the CCA and devolution deal. South Ribble Borough Council does not support the governance arrangements proposed. They fail to recognise the important role of district councils in understanding and representing local communities. While the Levelling Up and Regeneration Act sets out the rules for membership, the constituent members could provide full voting rights within the CCA constitution to encourage district engagement. In addition, the CCA partners should clearly set out a more comprehensive plan for ensuring that the new arrangements will not just make local government in Lancashire even more complex and confusing for residents, businesses and communities.

## **Climate change and air quality**

26. The work noted in this report has an overall neutral impact on the Council's Carbon emissions and the wider Climate Emergency and sustainability targets of the Council. While the proposals include a section around Net Zero and Climate Change, it is not possible at this point to clear understand what that will mean in practice

## **Equality and diversity**

27. The report does not make any proposals to change the way in which the council delivers services or functions.

## **Risk**

28. Potential changes to local government structures in Lancashire could pose both a potential risk or opportunity to the council and borough. This risk is managed by active involvement in those developments. While this is more difficult in circumstances where district councils are not directly involved, it is managed through the involvement of the council's Leader and Chief Executive in relevant forums (such as Lancashire Leaders, Lancashire Chief Executives and Lancashire District Leaders) and through responding to relevant consultations such as this.

## **Comments of the Statutory Finance Officer**

29. There are no financial implications that arise from the decision in this report.

## **Comments of the Monitoring Officer**

30. The purpose of this report is for the council to agree a response to the consultation process that is taking place concerning the proposals for the Lancashire Devolution Deal. At this stage there are no direct legal implications arising as such. In accordance with the normal principles of public law the Government and the Upper Tier authorities should take into account the council's response before finalising any proposals.

## **Background documents**

There are no background papers to this report.

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## Appendices

Appendix A: Lancashire Devolution Deal

Appendix B: Lancashire Devolution Proposals

Appendix C: Consultation questions

Appendix D: Letter to the government minister

Report Author:	Email:	Telephone:	Date:
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# Lancashire Devolution Deal

Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including the consent of all councils affected and parliamentary approval of the secondary legislation implementing the provisions of this Deal.



Department for Levelling Up,  
Housing & Communities



**Signature Page**



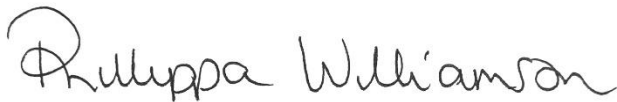
**The Rt Hon Michael Gove MP**

Secretary of State for Levelling Up, Housing and Communities



**Jacob Young MP**

Minister for Levelling Up



**Cllr Phillippa Williamson**

Leader of Lancashire County Council



**Cllr Phil Riley**

Leader of Blackburn with Darwen Borough Council



**Cllr Lynn Williams**

Leader of Blackpool Council

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## Introduction

1. Lancashire is a diverse county with a rich history and culture. The emblem of the historic county of Lancashire is the Red Rose of the English royal House of Lancaster. The contrasting geography of the area, along with the creativity and friendliness of its people, combine to make Lancashire a great place to live, learn and work. Lancashire has a long tradition of innovation and entrepreneurship which has gone on to change the world. Today, over 250 years since Richard Arkwright's cotton spinning technology helped to reshape the global economy, the county is again on the cusp of another transformative chapter in its industrial and commercial history.
2. With a population of 1.5 million residents and a GVA of £35 billion, Lancashire offers enormous potential. It has over 55,000 businesses providing over 637,000 jobs. It is a coherent economic area and has a range of significant future looking sectors with potential for growth, including advanced manufacturing and engineering (with one of the world's largest aerospace clusters), cyber, digital and low carbon, as well as traditional strengths in areas such as tourism and food production. Given its size, scale and importance, a thriving Lancashire remains one of the prerequisites to a successful economy in the North of England.
3. Lancashire is truly 'polycentric' with a strong network of urban centres set within an area of outstanding natural beauty. Home to the cities of Preston and Lancaster and the larger towns of Blackpool and Blackburn, the area brings together a range of nationally significant businesses and assets including BAE Systems, Springfields Nuclear Fuels, combined with a highly capable engineering and manufacturing supply chain. It contains four world class universities and eleven Further Education colleges which provide excellence in research, skills development and business support. The area has a rich quality of place offer that complements the more urban offers of Manchester and Liverpool with its population living within easy access of countryside and coast.
4. But Lancashire also faces challenges which impact on productivity and employment levels and its ability to grow. The historic structure of Lancashire's economy has a range of sectors which are gradually losing jobs. Economic shocks can hit harder and take longer to bounce back from than in neighbouring economies. There are clear and profound disparities in skill levels, health, economic productivity measures and resident prosperity across the county, which in turn impact more widely on people's life chances. 2021 data (latest) on Gross Disposable Household Income shows considerable variation across Lancashire, with around £10,000 difference between the households in Lancashire with the lowest disposable household income (Blackburn with Darwen (£15,025) and the highest Ribble Valley (£24,734).<sup>1</sup> Lancashire also has more than 220,000

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<sup>1</sup> Source: ONS, Regional Gross Disposable Household Income: Local Authorities by ITL1 Region. Table 3: GDHI local authority by ITL1 region: TLD North West: GDHI per head of population at current basic prices, pounds

economically inactive residents. Almost a quarter of all of Lancashire's working age residents are economically inactive, partly due to long-term ill-health (33.2% of all inactive residents, compared to 26.5% nationally), and more than 50,000 of Lancashire's inactive residents would like to get into employment (23.6% compared to 18.0% nationally).<sup>2</sup>

5. Greater local powers are needed to level up, to tackle the challenges facing the Lancashire area, to harness its huge economic opportunity for the benefit of the people of the area and for the whole of the UK. In recognition of this, the Government has already invested £225 million through the Levelling Up Fund. Local authorities across the Lancashire area have also been allocated a three-year total of over £60 million UK Shared Prosperity Fund (including Multiply programme funding).
6. The Government has set itself a mission that, by 2030, every part of England that wants a devolution deal will have a devolution deal with powers at, or approaching, the highest level of devolution, with a simplified, long-term funding settlement. The 2022 Levelling Up White Paper makes clear the case for devolution as the engine room of improved productivity and reduced regional disparities. Devolution will be critical to delivering our twelve headline levelling up missions by strengthening local leadership to act more flexibly and innovatively to respond to local need, whether on transport, skills or regeneration.
7. In the Levelling Up White Paper, the Government published for the first time a devolution framework, which set out a clear menu of options for places in England that wish to unlock the benefits of devolution. This framework places a strong emphasis on the importance of high profile, directly elected local leadership, strong local governance, and joint working across sensible and coherent economic geographies. The most comprehensive package is a Level 3 deal, for areas with a single institution over a sensible geography, with the strongest and most accountable leadership, such as a mayoral combined authority (MCA) or a mayoral combined county authority (MCCA) covering a functional economic area or the whole county geography with a directly elected mayor. The Level 2 offer is for devolution to single local government institutions without a directly elected mayor, such as a combined authority or combined county authority covering a functional economic area or the whole county geography. The Level 1 offer is for local authorities with looser joint working arrangements, such as a joint committee model.
8. This document sets out the terms of an agreement for a Level 2 devolution deal between the Government and Lancashire County Council, Blackpool Council and Blackburn with Darwen Borough Council (“Lancashire”), subject to ratification of the deal by the Councils and the statutory requirements for making the secondary legislation implementing the deal. The statutory requirements include public consultation on a proposal, Ministerial decision that the proposal meets the

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<sup>2</sup> Source: ONS annual population survey. Economic Inactivity (Apr 2022 - Mar 2023)

statutory tests, the Councils consenting to the secondary legislation implementing aspects of the deal, and Parliament approving it. Once this legislation is approved and made, the devolution deal will be confirmed. This document describes both the offer of functions and funding from the Government, and the reforms and measures that Lancashire will need to deliver.

9. The local authorities of Lancashire and Government have agreed a historic Level 2 devolution deal which will provide powers and funding to enable Lancashire to unleash its economic potential and in doing so level up, raise living standards for its communities and make a greater contribution to the UK economy. The Lancashire devolution deal shows how levelling up can be done in practice – with clear alignment to the twelve headline Levelling Up missions.
  
10. Government recognises that devolution is a journey, not a one-off event. This agreement is the first step in a process of further devolution. As institutions mature, they can gain greater responsibility, and Lancashire will be able to deepen their devolution arrangements over time, subject to Government agreement. The Government will also continue to work with Lancashire on important areas of public service reform and infrastructure investment, to support inclusive economic growth in towns, cities and rural areas whilst tackling climate change, on our journey to 2030.

## **Summary of the Devolution Deal between the Government and the Local Authorities of Lancashire, comprising of Lancashire County Council, Blackpool Council and Blackburn with Darwen Borough Council**

The Government and the constituent councils are minded to agree a devolution deal which will provide Lancashire with new powers and funding to increase opportunities and living standards through inclusive growth and productivity improvements.

A devolution agreement is contingent upon the constituent councils proceeding through the steps necessary to meet the governance criteria required for a Level 2 devolution deal.

The devolution agreement includes:

- The formation of the Lancashire Combined County Authority (CCA) to provide overall vision and leadership, seek the best value for taxpayers' money, and be accountable to local residents.
- The integration of relevant functions of the Lancashire Local Enterprise Partnership into the Lancashire 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 & Skills & Employment Hub, LEP Investment Team, destination management/visitor economy, the Lancashire CCA will deliver a number of functions on behalf of central Government departments.
- New powers to better shape local skills provisions 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 provide input into Local Skills Improvement Plans.
- New powers to improve and better integrate local transport, including the ability to introduce bus franchising subject to approval from the Secretary of State for transport, and control of appropriate local transport functions e.g. responsibility for an area-wide local transport plan.
- Subject to funding, policy and delivery considerations at the next Spending Review, UK Shared Prosperity Fund (UKSPF) planning and delivery at a strategic level from 2025/26.
- 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 Local Authority where the relevant land is located.

- 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 HQ) and net zero ambitions across Lancashire. This investment is subject to agreement of the relevant business cases.
- Strengthening the local visitor economy, reinforcing Lancashire's attractive and vibrant cultural and creative sector through the formation of a wider Lancashire visitor offer encompassing Blackpool, which remains the UK's No1 seaside resort, and nationally significant investments such as Eden North, with facilities and events of regional and national significance, aligned to the Local Visitor Economy Partnership (LVEP).
- Deliver innovation-led growth, including working with Government to capitalise on Lancashire's economic potential in growing the Energy and Low Carbon sector.
- Improve urban quality and help address poor health.

More detail on these commitments is given in the main body of the document below.

Once the CCA has been established, further devolved functions and consolidated funding may be agreed over time and included in future legislation. This will be subject to the area's status as a Level 2 devolved area.



## Governance

11. Local Authorities in Lancashire have a long history of working together to deliver efficient, effective and transformational services for the people of Lancashire. This approach was recently formalised into a ground-breaking "Lancashire 2050" strategic framework document, setting out the agreed aims of the 15 local authorities in 8 key priority areas. Lancashire 2050 provides a basis for enhanced and increased joint working using existing powers and resources. The framework sets the context for a devolution deal between the three Upper Tier Local Authorities and the Government to provide further opportunities for partnership working in Lancashire to deliver the Levelling Up agenda.
12. In order to ensure clarity and unity around devolution to achieve this next step, the constituent councils (working closely with district colleagues) have agreed the following principles to be applied to this devolution deal:
  - Lancashire can deliver effective local leadership through a Combined County Authority.
  - The governance arrangements will be designed to deliver the best deal for the people of Lancashire within the provisions of the Levelling-up and Regeneration Act 2023 (LURA) and any regulations made under it by the Secretary of State.
  - Upper tier councils will be constituent members. District councils will be represented by non-constituent members on the decision-making body.
  - Decisions taken by the Combined County Authority will follow the principles of open and transparent decision making adopted by local government.
  - The Combined County Authority and the devolution deal will not affect the sovereignty of member councils in terms of existing services and investment decisions. Voting structures will be aligned to risks carried.

### Governance arrangements

13. As set out in the Levelling Up White Paper, the Government will devolve functions from central government under a level 2 devolution deal to Lancashire CCA, which will allow strengthened local decision-making powers to benefit the residents of Lancashire.
14. The Lancashire CCA will comprise of the following members:
  - 4 elected members, consisting of a lead member for each constituent council and 1 further member appointed by Lancashire County Council.
  - 2 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 2 associate or non-constituent members, to be appointed by the CCA.

15. 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 of 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:

- Approval of the CCA's budget, including significant financial decisions.
- Approval of the policy framework, which will include:
  - Corporate Strategy;
  - Economic Growth Strategy;
  - Skills and Employment Strategy;
  - The Local Transport Plan, Bus Service Improvement Plan (BSIP) and the Local Cycling and Walking Infrastructure Plan (LCWIP);
  - Appointment of the Chief Executive;
  - Approval of and significant amends to the Constitution.

16. 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:

- Compulsory purchase of land or buildings by the CCA;
- The exercise of compulsory purchase power will also require the consent of the relevant planning authority;
- Any decision by the CCA that could lead to a financial liability falling directly upon that constituent council, or Blackpool Transport Services Ltd;
- Such other matters as may be contained within the CCA constitution.

17. The constituent councils recognise the importance of local consensus in relation to matters that could impact companies wholly owned by those councils, and they have resolved to require Blackpool Council's consent for any decision which may have a significant, material and direct impact on Blackpool Transport Services Ltd.

18. As part of this deal, the constituent councils intend to adopt the combined county authority (CCA) model which is provided for in the LURA.

19. A key advantage of the CCA model is its capacity to provide for joint governance arrangements between upper tier local authorities around key growth levers such as transport, skills, economic development and regeneration, which creates a shared structure through which strategic prioritisation can be taken forward across an area and integrated policy goals better pursued. A CCA also offers additional accountability and improved line of sight for Government around local delivery and commissioning.

20. In bringing forward the Lancashire CCA, Government and the constituent councils are aware that the CCA institutional model as set out through the LURA only provides opportunities for upper tier authorities to be formal voting members.
21. The CCA will have the ability to appoint non-constituent and associate members should it wish. The maximum number of non-constituent or associate members is not to exceed the number of constituent members. It will be up to the CCA to set out further constitutional arrangements, including delegation to committees to support its operation, which may include members from district councils who are not members of the authority itself. It will also be for the CCA to decide on the nominating bodies for non-constituent members.
22. Lancashire is to be given powers in relation to:
- Economic development and regeneration functions;
  - Adult education and skills functions;
  - Transport functions;
  - Compulsory purchase powers (subject to the consent of the local planning authority affected by the exercise of the function).
23. For the Overview and Scrutiny Committee(s) and Audit Committee, at least one member will be nominated from each constituent council for each committee. In addition, there will be non-constituent council representatives on each Overview and Scrutiny Committee and the Audit Committee. The chair and vice chair of each Overview and Scrutiny Committee will be appointed by the CCA. The chair shall not be a member of a registered political party which has the largest number of members on the CCA. Further detail on the approach to nomination of those representatives will be developed in consultation with the district and borough councils in the area and included in the proposal to be consulted on. The Audit Committee must also include at least one independent person.
24. As a local government institution with devolved powers, the CCA will be subject to the English Devolution Accountability Framework ('the Framework'). The Framework applies to all English institutions with devolved powers. In line with the Framework, the Government, Lancashire and other areas with devolution deals will work together to put in place mechanisms to ensure that local leaders and institutions are transparent and accountable, work closely with local businesses, seek the best value for taxpayers' money, and maintain strong ethical standards.
25. Lancashire should also have regard for the Government's Scrutiny Protocol, which develops the standards and best practice to make sure that scrutiny committees in areas with devolution deals can meet this unique challenge. This is to empower local residents and provide them with the confidence that devolution is leading to improvements in their area.

26. The proposals in this devolution deal are subject to ratification by each constituent council. This will include: the development of a proposal; a public consultation on that proposal with local residents and stakeholders; and the submission of proposal and the outcomes of the consultation to the Government. Implementation of the deal is subject to the Secretary of State being satisfied that the required statutory tests have been met, the consent of each constituent council and parliamentary approval of the required implementing secondary legislation. As institutions mature, they can gain greater responsibility, and Lancashire will be able to deepen their devolution arrangements over time, subject to Government agreement and appropriate accountability arrangements.

27. The CCA institutional model includes upper tier authorities only. Both the Government and the Lancashire constituent members place high importance on the CCA working collaboratively with the 12 district councils across Lancashire (“the district councils”) and ensuring that they have a voice in the CCA. They are:

- Burnley Borough Council
- Chorley Council
- Fylde Borough Council
- Hyndburn Borough Council
- Lancaster City Council
- Pendle Borough Council
- Preston City Council
- Ribble Valley Borough Council
- Rossendale Borough Council
- South Ribble Borough Council
- West Lancashire Borough Council
- Wyre Borough Council.

28. The Lancashire constituent members will work with the district councils in the area to develop the detail of the arrangements for appropriate district council input to the CCA; this will be for inclusion in the detailed proposal which will be subject to public consultation across the area, prior to formal submission to the Secretary of State. These arrangements will include, for example, a mechanism for appointment of representative non-constituent members from the district and borough councils to the CCA and representatives of the district councils on the CCA’s Overview and Scrutiny Committee and the Audit Committee. These arrangements are for local choice and will not be expected to be specified in any implementing secondary legislation.

29. Certain decisions of the CCA will have consent requirements attached to them in which district and borough councils' consent will be required as a condition of the decision, including the exercise of compulsory purchase powers, as set out at paragraphs 15 and 65. Furthermore, in accordance with the LURA, the CCA has 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.

### Role of the LEP

30. The Levelling Up White Paper announced the Government's intention to support the integration of Local Enterprise Partnership functions and roles into local democratic institutions. On 4 August 2023 Government confirmed its previous 'minded to' decision to withdraw central government support (core funding) for Local Enterprise Partnerships from April 2024 and transfer their functions to local and combined authorities. This deal confirms the integration of LEP functions into the Lancashire Combined County Authority, subject to Government endorsement of an integration plan and the agreement of the Lancashire Combined County Authority.

31. The Lancashire Combined County Authority will be supported to take on relevant functions and roles of the Lancashire LEP in line with published guidance and with any agreed interim arrangements. In doing so, all parties will work together to ensure the independence of the local business voice is maintained, with the business voice to be represented within the Combined County Authority, and with advisory boards representative of the geographies and composition of their local communities. The Lancashire Combined County Authority will ensure that any business advisory board or equivalent structure is meaningfully involved in local decision making, maintaining a culture of constructive challenge and scrutiny with the Combined County Authority framework.

32. Government funding for integrating LEP functions will be subject to future spending decisions by individual departments and business planning.

## Finance and Investment

33. The constituent councils will create a fully devolved funding programme covering all budgets for devolved functions accountable to the Lancashire CCA.
34. The Lancashire CCA will have the flexibility to secure private and public sector leverage as appropriate. As per local government guidance, the Lancashire CCA will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives.
35. The costs of establishing the CCA will be met from the overall resources of the CCA. To support the Lancashire CCA in its early stages of this deal, the Government will provide £250,000 of capacity funding in 2024/25, £500,000 in 2025/26 and £250,000 in 2026/27. This will be provided on the basis that the establishing legislation has been made and an Assurance Framework confirmed with the Government. Any future capacity funding will be subject to Spending Review, in line with arrangements for other devolution deals.
36. The Government will provide the Lancashire CCA with 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 HQ) and net zero ambitions across Lancashire. This investment is subject to agreement of the relevant business cases.
37. Subject to funding, policy and delivery considerations at the next Spending Review, the Levelling Up White Paper sets out the Government's expectation that delivery responsibility for the UK Shared Prosperity Fund will be aligned with devolution deal responsibilities. This would mean that Lancashire CCA could have such responsibilities from 2025/26. In carrying out this role, Lancashire CCA and the constituent councils will work closely with the Lancashire District Leaders Forum in an advisory capacity. Delivery of these functions will build on existing district-led delivery arrangements for UKSPF and align with the Lancashire 2050 strategy, as agreed by all local authorities in Lancashire, to ensure that the needs of residents can be effectively addressed.
38. The Government understands that Lancashire currently has, and will in the future have, interest in applying for funding and other opportunities made available. This includes but is not limited to the Levelling Up Fund. This deal does not preclude participation in these processes where the Lancashire CCA meets the relevant criteria.

### UK Infrastructure Bank

39. The UK Infrastructure Bank ("the Bank") will increase infrastructure investment across the UK by partnering with the private sector and local government to help tackle climate change and support regional and local economic growth. The Bank can offer advice and support to local actors, including the Lancashire CCA, to help

deliver on their objectives, including driving investment into net zero infrastructure and innovative local projects. It can also act as a convenor, bringing together local actors for collaborative projects, and where appropriate identifying where projects can be aggregated to achieve greater impacts.

## Skills and Education

### Adult Education

40. Lancashire is an area of low and slowly growing productivity relative to the national average, trailing the national average by almost 16%. Productivity in Lancashire grew by less than 5% between 2004 and 2020, whilst in the UK it grew by more than 13% and more than 11.4% in the North West.<sup>3</sup> Lancashire's productivity is being hampered by both investment spending and by the labour market. Lancashire's growth in investment is almost two thirds lower than the national rate of growth.<sup>4</sup>
41. In Lancashire's labour market, the estimated employment rate (72.7%) is below the national rate (75.4%) and has contracted by 3.9% points and almost 30,000 people since the pandemic. This is based on the latest survey data covering April 22 to March 23.<sup>5</sup> Lancashire's labour force is also characterised by a lower proportion of residents with higher level qualifications. Though a higher proportion of Lancashire residents are qualified to Level 3 (18.2% vs 16.9% in England, Census 2021), Lancashire trails at Level 4 or above qualifications (29.5%) compared to the national average (33.9% in England).<sup>6</sup> This demonstrates a lower proportion of people with higher level and graduate level qualifications, a problem which is compounded by Lancashire's below average graduate retention, which is the second lowest in the NP11.
42. The Government will fully devolve the Adult Education Budget (AEB) to the Lancashire CCA from academic year 2026/27 subject to readiness conditions and Parliamentary approval of the required secondary legislation conferring the appropriate functions. Funding for Free Courses for Jobs (FCFJ) will also be devolved and will be ring-fenced.
43. Prior to full devolution taking place, the Government will work with Lancashire CCA to support their preparations for taking on the relevant functions and will make implementation funding available for Lancashire, subject to the availability of appropriate central funding including in the next Spending Review.
44. Upon devolution, the Lancashire CCA will be responsible for making allocation to providers and the outcomes to be achieved, consistent with statutory entitlements. The Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices.

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<sup>3</sup> ONS: Table A5: Chained Volume (unsmoothed) GVA (B) per hour worked indices; ITL2 and ITL3 subregions, 2004 - 2020

<sup>4</sup> Source: Experimental Regional Gross Fixed Capital Formation (GFCF) estimates by asset type, ONS, 2022. 1997-2020 (latest)

<sup>5</sup> ONS Annual Population Survey - Published on NOMIS ([www.nomisweb.co.uk](http://www.nomisweb.co.uk)); Jan 19 to Dec 19 data was used as the pre-pandemic comparator as this was the latest period available pre-pandemic.

<sup>6</sup> Census 2021, ONS. TS067 - Highest level of qualification



45. The Government will inform Lancashire on which basis the existing methodology operates to calculate the size of the grant to be paid to the CCA for the purpose of exercising the devolved adult education functions.
46. The Government will discuss with Lancashire CCA, and other areas with, or which are planning to secure, devolved adult education functions, any proposed changes to its methodology for calculating devolved areas' grants. Any discussions will be undertaken in a timely manner and before decisions are made.
47. In order to proceed with devolution, the Government needs to be assured of the following readiness conditions:
- a. The Secretary of State for Education and appropriate accounting officer are assured that Lancashire CCA is operationally ready to administer the adult education budget and is satisfied the required statutory tests have been met.
  - b. Parliament has legislated to enable transfer to Lancashire CCA of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.
  - c. Agreement to a memorandum of understanding between the Department for Education and Lancashire CCA that provides appropriate assurance that the named parties will work together to ensure the future financial stability of the provider base, including for sharing financial risk and managing provider failure.
  - d. Learner protection arrangements are agreed between parties.
48. The Department for Education will continue to work with Lancashire to commission a local programme of Skills Bootcamps, to be informed by future spending agreements.

### Skills

49. Local Skills Improvement Plans (LSIPs) will set out the current and future skills needs of the area and how local provision needs to change to help people develop the skills they need to get good jobs and increase their prospects. LSIPs will build a stronger and more dynamic partnership between employers and further education providers and allow provision to be more responsive to the skills needs of employers in local labour markets.
50. Working with the designated Employer Representative Body, and utilising and sharing the local labour market intelligence and analysis developed, Lancashire CCA will support and provide refinement of the LSIP for the area. Government will consider the LSIP boundaries in 2025 at the end of the funding period, with the aim of maximising alignment across boundaries where possible.
51. Lancashire will be considered alongside other areas with a Level 2 devolution deal at future Spending Reviews with regard to the devolution of skills funding.

52. The Department for Education will work with the Lancashire CCA to undertake an Early Connect pilot to test raising the visibility of apprenticeships through the UCAS system with college and sixth form leavers, and to raise the visibility of employer vacancies. The Department will also continue to engage with Lancashire to consider ways in which apprenticeship opportunities in the area can be developed further.
53. Lancashire will work in partnership with the National Cyber Force (a Defence and intelligence partnership), the Ministry of Defence (MoD), GCHQ, the National Cyber Security Centre (NCSC) and DSIT to grow the digital, cyber and wider talent pipeline in Lancashire. These organisations, working with the Lancashire Skills and Employment Hub and other partners, will support the development of outreach and engagement programmes in Lancashire to inspire and engage Lancashire residents in roles in cyber, and to meet Levelling Up aspirations.

### Employment

54. Lancashire CCA and the Government recognise the crucial link between local skills, education, health and workforce development activity in the region and the work of the Department of Work and Pensions.
55. The Department for Work and Pensions, through regional Jobcentre Plus and Partnership teams, and the Lancashire CCA will work together on shared strategic employment priorities through a place-based approach.
56. Lancashire CCA will work in partnership with local and regional work and health stakeholders, including all local authorities in the region with responsibility for UKSPF until 2025, as well as Department for Work and Pensions and other parts of UK Government to ensure effective and coordinated strategic planning and delivery of local employment, health and skills provision, that meet local needs and complement national employment provision.

### Careers Education and Advice

57. The Government recognises the significant unique opportunities that are developing across Lancashire and that, to ensure maximum benefit of the AEB allocation and the area's economic growth, a more place-based and industry led approach to careers education is developed for both adults and young people. Ensuring access to high quality careers, advice and guidance is a crucial element of the Government's long-term ambitions around social mobility, raising aspiration and ensuring we are able to secure the future workforce our economy needs.
58. In support of this objective, Lancashire LEP and Local Authority partners have worked closely on the development of the Lancashire Career Hub. With the folding in of relevant LEP functions as announced in August 2023, the Government and partners within the Lancashire CCA wish to ensure that there remains a shared

focus on careers education and advice for young people. This is particularly crucial given the specific challenges faced in Lancashire, including higher than average NEET rates in Lancashire County (bottom third of local authorities nationally) and Blackpool (bottom tenth) and Lancashire businesses commonly citing that employability skills are the most important attribute that they look for in job applicants (LSIP reported 83% of those employers surveyed). The Department for Education will therefore seek to work with the Department for Levelling Up, Lancashire and other relevant partners to support the continuity of activity within the Careers Hub.

59. To ensure a more place-based and joined-up approach to careers education locally, the Government supports Lancashire CCA to work with local stakeholders to align careers provision with devolved AEB activities.

## Housing and Land

60. The Government and partners within Lancashire recognise the need to deliver decent and affordable housing that will benefit existing residents, as well as attract and retain the people required to drive the economy over the longer term. Constituent councils have identified several priorities including improving and increasing the availability of good quality housing on both new sites and through existing stock, more effectively linking housing regeneration to economic and transport plans, securing urban renewal by demolishing and replacing housing stock in some areas and improving the attractiveness of the built environment for communities.
61. As local authorities, the constituent councils already have access to a broad range of powers and tools allowing them to collectively work together to acquire land, develop new homes and act more generally to improve local housing conditions.
62. The Government and the constituent councils believe that devolution at Level 2 now offers an opportunity to better align this work within the Lancashire area, seeking to accelerate housing delivery as well as promote wider measures that enhance availability and affordability locally. The Government and the constituent councils will therefore seek to work together to explore further opportunities to improve housing delivery across the next period through the CCA.

### Working with Homes England

63. Lancashire's authorities and Homes England are committed, with the support of the Department for Levelling Up, Housing and Communities (DLUHC) to working collaboratively on this basis – combining their skills and capacity to reduce the barriers to affordable housing delivery, regeneration and wider housing growth through the development of a shared development pipeline for the region.
64. Homes England and DLUHC will explore the potential for investing in the delivery of this pipeline – in support of Lancashire CCA's wider strategic ambitions for enhancing the affordability and accessibility of housing locally – through current and future funding streams, including the Affordable Homes Programme and Brownfield, Infrastructure and Land Fund. Through taking a co-design approach with Homes England, Lancashire CCA will seek to enhance the impact of any funding allocated within the area over the next five years.
65. As part of this approach, partners within Lancashire will seek to further align their own resources and capacity alongside the work of the Combined County Authority, working closely with Government to maximise the impact of joint programmes such as the One Public Estate through the use of their land and wider capital assets.

### Compulsory Purchase Powers

66. The Lancashire CCA will also have access to additional land assembly and compulsory purchase powers, subject to the agreement of the Lancashire local authority constituent member where the relevant land is located, the relevant local planning authority (where that isn't the constituent member), and to the consent of the Secretary of State for Levelling Up, Housing and Communities.
67. Housing quality is a major issue in many parts of Lancashire, where substandard conditions drive poor socioeconomic outcomes, especially in areas characterised by large concentrations of failed private rented stock. DLUHC can facilitate access to relevant best practice resulting from the delivery of several programmes. This includes the Supported Housing Improvement Programme (SHIP) which is delivering new approaches to enforcement against poor quality supported housing, which in Lancashire is already operating in Blackpool, Blackburn with Darwen, and in Lancaster City partnered with Preston, and the Private Rented Sector (PRS) Pathfinder Programme, which is trialling a range of new enforcement approaches in Blackpool, and other areas throughout the country. The revenue costs of any new enforcement action would be met by the local authorities themselves, except to the extent these are already being funded for existing participants of SHIP.

## Transport

68. Lancashire lies within the nationally important north-south motorway and main rail line transport spine, providing excellent connectivity with other parts of the UK, and a comprehensive network of motorways and railways linking much of Lancashire with the major regional employment centres of Manchester and Liverpool, and the international gateways of Manchester Airport and the port of Liverpool.
69. Connectivity and the quality of Lancashire's transport provision varies significantly between the strategic north-south and east-west transport corridors, impacting travel opportunities and choice locally across Pennine Lancashire, the Blackpool and the Fylde Coast and West Lancashire, and to regional destinations such as Leeds and Liverpool. Walking and cycling rates for Lancashire remain below the national average but continue to grow in popularity; and a longer-term decline in public transport use has been exacerbated over recent years by the pandemic. However, there are now signs of growth, with investment through the Bus Service Improvement Plans, and on the Fylde Coast the Blackpool tramway has experienced substantial growth and is undergoing further expansion. Ultra-low emission vehicles account for a significant and increasing proportion of new vehicles, and growth in Lancashire's Electric Vehicle (EV) fleet will be facilitated by their EV infrastructure strategies and Local EV Infrastructure funding.

### Network North

70. As set out in the recent Network North announcement:
- The Lancashire 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.
  - The Lancashire CCA will receive a proportion of the £770 million of funding for Bus Service Improvement Plans in the North.
  - The Lancashire CCA will receive a proportion of the £3.3 billion funding to fix potholes in the North.

### Powers of the Local Transport Authority and Local Transport Plans

71. The Lancashire CCA will become the Local Transport Authority (LTA) for the new combined county authority area and take on all associated responsibilities and local public transport powers.
72. As part of becoming the LTA, responsibility for an area-wide Local Transport Plan (LTP) will be conferred on Lancashire CCA. Lancashire will develop a provisional area-wide LTP by March 2025 to be finalised by the Lancashire CCA once established. Spending Review is expected in 2024; in developing its case for local transport investment DfT will be engaging the local transport sector. As such, we will look to draw on any emerging evidence base and strategy Lancashire is able to make available by that time. Lancashire CCA will be expected to ensure its LTP

aligns with best practice in transport planning including any revised LTP guidance, and to update their LTP as necessary.

73. Under the terms of this devolution deal, ownership and operation of Blackpool Transport Services Limited (BTS) and all associated assets, including the Bus and Tram fleet, will remain with BTS. BTS will remain as an arm's length company owned by Blackpool Council.

#### Local and Regional Partnership Working

74. The Government recognises that local and regional level organisations are often best placed to make practical changes required to meet shared strategic objectives on local economic growth and decarbonisation, ensuring that local communities and businesses are engaged. Transport for the North Sub-national Transport Body (STB) will develop its Regional Centre of Excellence, which will offer bespoke capability and tools to support to all Local Authorities in the STB area. This provides the opportunity for Lancashire CCA to work with Transport for the North STB to establish if Lancashire CCA would benefit from capability support.

75. As set out in the National Electric Vehicle Strategy, the Government recognises the aspirations of Lancashire CCA to improve public electric vehicle charging infrastructure, which would increase the uptake of electric vehicles and reduce carbon emissions by supporting all motorists in making the switch. Lancashire CCA can also access support from their Sub-National Transport Body, Transport for the North, which has received Government funding to develop a regional Electric Vehicle Charging Infrastructure (EVCI) strategy. This EVCI strategy will provide a robust plan of charging needs in Lancashire and can be used to underpin any public sector funding proposals, including applications for the LEVI Capital Fund. It will also help local authorities in Lancashire CCA to develop their own strategies to scale up the rollout of public chargepoints in their areas. The constituent councils within Lancashire have also received £13.4 million in capital funding from Government's Local EV Infrastructure Fund and a further £1.4 million revenue funding to increase their capability to plan and deliver public, on-street EV infrastructure. Through the LEVI fund, Lancashire CCA will be able to utilise the LEVI support body for further assistance and upskilling of EV officers.

#### Local Highways Networks

76. Unless otherwise agreed locally, all operational responsibility for highways will remain with the constituent councils. However, where practical we would expect the Lancashire CCA to work towards streamlining contractual and delivery arrangements across the region. The Lancashire CCA should consider how highways across the region are managed, which may include developing a single strategic assessment plan for local highways in the area, in partnership with constituent councils.

77. Lancashire CCA will be able to enter into agreements with Government, other local authorities and National Highways, including to determine shared priorities for its strategic route network roads.

78. Lancashire CCA may by exception also take on some highways powers to coordinate or deliver highways functions for the full Lancashire area to be exercised concurrently with the relevant highway authorities. Any such powers are to be agreed separately with Government and set out in the proposal/required scheme and consultation, with local agreement on how concurrency will work in practice.

### The Blackpool Tramway

79. Blackpool Tramway is a key local attraction and a vital part of Blackpool's tourism offer. The tramway network operates locally, extending through Blackpool and into the surrounding area, connecting over 300,000 people. Patronage has tripled since the tramway's modernisation in 2012, and it now carries around 5 million passengers annually. Notwithstanding its contribution to travel provision in the local area, its importance to the local visitor economy is paramount and as such it represents an integral asset in the town's tourism and marketing activities.

80. Lancashire CCA will set the strategic direction for public transport services through the Local Transport Plan for the CCA area and hold the powers to support public transport services. Blackpool Transport Services Limited will continue to operate tram services in Blackpool and the surrounding area. Blackpool Council will retain the relevant powers to manage Blackpool Transport Services Limited. Maintenance of tram infrastructure and assets will continue to be the responsibility of Blackpool Council in partnership with Lancashire County Council.

### Buses

81. As the Local Transport Authority (LTA), the Lancashire CCA will be responsible for:

- Bus Service Improvement Plans
- Enhanced Partnerships (EPs);
- Subsidised bus services;
- Concessionary fare schemes;

And will, where practical, streamline engagement with bus operators and seek efficiencies in their future contractual and delivery arrangements across the combined county area.

82. Blackpool Transport Services Limited (BTS) provides vital bus services to Blackpool and the surrounding area. BTS will continue to deliver bus services locally.



### Bus Enhanced Partnerships

83. BTS, along with other bus operators in the Lancashire CCA area, will work with Lancashire CCA as part of any EPs in the area. Lancashire CCA has responsibility for making the EP scheme(s), but at set points in the process it can only proceed with its proposals if it has the support of local bus operators. Bus operators will maintain responsibility for their operational arrangements under any EPs.

### Bus Franchising

84. If Lancashire CCA concludes that bus franchising is likely to deliver better outcomes, the Government will consider conferring franchising powers under the Transport Act 2000 to Lancashire CCA where it demonstrates it has the capability and intention to deliver its chosen franchise model, and that franchising will deliver better services than its Enhanced Partnership without unnecessarily delaying benefits to passengers.

### Bus Service Improvement Plans (BSIPs)

85. The Lancashire CCA will work with constituent councils to deliver against the existing Bus Service Improvement Plans (BSIPs). Lancashire CCA will work towards integrating the existing BSIPs in the area.

### Active Travel

86. To ensure consistency in the quality and safety of schemes, Active Travel England (ATE) will provide support to ensure walking and cycling schemes are designed and delivered to high standards, including compliance with Local Transport Note 1/20 (LTN 1/20). Lancashire CCA will work with ATE to improve the design quality of all active travel schemes funded by Government and those that are locally funded. All cycling and walking schemes funded by Government must be approved by ATE as complying with LTN 1/20.

## Net Zero and Climate Change

87. As part of its Net Zero Strategy and Net Zero Growth Plan, the Government recognises that devolved and local government can play an essential role in meeting national net zero ambitions. Local leaders in the Lancashire area and elsewhere are well placed to engage with all parts of their communities and to understand local policy, political, social, and economic nuances relevant to climate action. This is why the devolution framework grants places the opportunity to adopt innovative local proposals to deliver action on climate change and the UK's net zero targets.
88. The Local Net Zero Forum, chaired by the Department for Energy Security and Net Zero is cross-Government and brings together national and local senior officials. Through representative organisation on the forum – The Local Government Association (LGA), Association for Public Service Excellence (APSE), Core Cities and the Association of Directors of Environment, Economy, Planning and Transport (ADEPT), Lancashire CCA will get the opportunity to discuss local net zero policy and delivery issues in the round.

### Energy system

89. The Government recognises the need to increase Lancashire's electricity network capacity to meet future electricity demand. Government is committed to ensuring that devolved regional institutions such as combined authorities, including the Lancashire CCA, have a meaningful role in planning our future energy system for net zero, alongside other local areas as appropriate.
90. The Government is considering the role of local energy plans, including their role in supporting strategic network investment, working closely with Ofgem as part of its ongoing governance review into local energy institutions and its proposals on regional energy system planning.

### Heat networks

91. The Government has confirmed its intention to establish heat network zoning in England. Under the zoning proposals, Zoning Coordinators within local government will be able to designate areas as heat network zones where heat networks are going to be the most cost-effective way to decarbonise heating and hot water within the zone. Local authorities will have powers to require certain buildings to connect to heat networks within the zones. This will enable the Lancashire CCA to assume the role of heat network Zoning Coordinator for its locality and play a key role in the delivery of heat decarbonisation infrastructure. The Government is committed to have heat network zoning in place by 2025.
92. The Government will support the Lancashire CCA alongside other local authorities across England to take forward heat network zoning, including collaboration with

the private sector on developing heat networks within zones and to help capitalise on unique local opportunities to utilise all available low carbon heat sources, including geothermal energy.

### Buildings

93. The Government commits to explore the potential benefits of and design options for a place-based approach to delivering retrofit measures, as part of the Government's commitment in the Net Zero Strategy to explore how we could simplify and consolidate funds which target net zero initiatives at the local level where this provides the best approach to tackling climate change.

94. This work will involve inviting the Lancashire CCA to work with the Government through the relevant representative organisations to consider if such an approach could accelerate the meeting of net zero goals and provide better value for money.

### Green Jobs

95. Through the Green Jobs Delivery Group, the Government is working to ensure that workers, business and local areas, including Lancashire, are supported through net zero transition. Lancashire CCA now has the opportunity to deliver green skills interventions at a local level through having a greater role in delivering the Adult Education Budget and the UKSPF.

96. Lancashire's Energy and Low Carbon sector is particularly important due to its existing ecosystem and capabilities in designing and manufacturing low carbon technologies. The area is forecast to have the highest number of jobs per capita in the Energy and Low Carbon sector in England between 2030 – 2050.<sup>7</sup> Government will work with Lancashire to enable the continued growth of this sector by supporting the delivery of Lancashire's Energy and Low Carbon sector plans.

### Nature Recovery

97. Lancashire County Council has been appointed by Defra SoS as the authority responsible for preparing the Local Nature Recovery Strategy (LNRS) for the Lancashire Combined County Authority Area. LNRSs will agree priorities for nature's recovery, map the most valuable existing habitat for nature, and map proposals for creating or improving habitat for nature and wider environmental goals. Defra has confirmed total planned funding of £388,000 for financial years 2023-2024 and 2024-2025 to cover the costs of strategy preparation, including the required stakeholder engagement. The Government will work closely with responsible authorities to ensure they are supported in preparing their LNRS, including by making available Defra group expertise and data, and agrees to

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<sup>7</sup> Local Government Association (2021), *Local green jobs – accelerating a sustainable economic recovery*. Available from [https://gemserv.com/wp-content/uploads/2021/06/Local-green-jobs-accelerating-a-sustainable-economic-recovery\\_final-1.pdf](https://gemserv.com/wp-content/uploads/2021/06/Local-green-jobs-accelerating-a-sustainable-economic-recovery_final-1.pdf)

consider the role of Lancashire CCA in the LNRS process following establishment of the new body.

98. The Government will ensure that over time locally identified environmental priorities are incorporated into environmental land management schemes where appropriate.
99. Government will work with Lancashire to ensure that local environment policies, including Lancashire's LNRS and existing and potential protected landscapes, support the delivery of England's new Environmental Improvement Plan.
100. Government will ensure the new environment land management schemes are implemented in line with local needs and priorities, including those of Lancashire which has identified the need for more coordinated specialist business support for the farming and wider rural community to foster rural business resilience; sustainable new market opportunities; and environmental gains.

## Digital and Cyber

101. Continued improvements to Lancashire's digital infrastructure, digital and knowledge-based industries and an innovation base which can practically display how these capabilities can be deployed, are all vital to balancing and modernising Lancashire's industrial base.
102. This is essential to fully realise the impact of new opportunities across Lancashire such as the decision of National Cyber Force to locate their national headquarters at Samlesbury, infrastructure projects in Blackpool built around exploiting the benefits of ultra-high-speed transatlantic data cable connecting New York, the United Kingdom and Northern Europe which comes ashore in Blackpool and major innovation projects in Blackburn and Preston that will enhance east-west innovation and connectivity.
103. Lancashire CCA will continue to work with the Department for Science, Innovation and Technology, to fully capture the investment, business, research and skills development benefits of these new developments, creating opportunities and new careers for local residents, developing markets and technologies of local businesses and making a reality of the North West Cyber Corridor concept.
104. The Government is committed to supporting Lancashire's digital connectivity ambitions, including through the Wireless Infrastructure Strategy which was published in April 2023 and sets out a strategic framework for the development, deployment and adoption of 5G and future networks. This includes working closely with places to encourage investment in advanced wireless connectivity and increase its adoption across the local economy and public services.
105. As set out in the National Cyber Strategy 2022, the Government is committed to strengthening the capability of local authorities such as Lancashire to buy and use connected places technology securely. In May 2021, the National Cyber Security Centre published the Connected Places Cyber Security Principles, a foundational step in supporting the cyber security of the UK's connected places. Since then, the Government has continued to develop its support of local authorities deploying and managing connected places technologies and in 2022 the Department for Science, Innovation and Technology published the alpha Secure Connected Places Playbook. The Playbook was designed in collaboration with local authorities and helps them to get their cyber security foundations right whilst setting a strong cyber security culture. Government hopes to continue to work with local authorities such as the Lancashire CCA to support the secure and sustainable adoption of connected places technologies. Bolstering the UK's Cyber Ecosystems remains a high priority for the Government.
106. Government recognises that high quality digital connectivity is crucial for future economic growth and productivity in the region. The private sector will continue to lead on the rollout of broadband and mobile infrastructure, with DSIT supporting

delivery in less commercially viable areas. The Government will engage with the Lancashire CCA on a regular basis on delivery plans in the region, particularly where they involve hard to reach rural areas. The Government is committed to achieving nationwide coverage of gigabit capable broadband by 2030 and to ensuring that rural areas are not left behind including in Lancashire. Procurements covering Lancashire are scheduled to launch in 2024, and regular Project Gigabit programme updates will be provided demonstrating progress in delivering for communities across the area.

107. The National Cyber Force (NCF), a partnership between Defence and Intelligence, will establish its future home in Sarnesbury, Lancashire, helping to stimulate technology, digital and defence sectors, as well as encouraging partnerships between Government, industry and academia in the North West of England across the Cyber Ecosystem in line with Pillar One of the National Cyber Strategy.

108. The Lancashire area stands out for the quality of universities, further education colleges and schools alongside its appeal to existing staff, offering improvements in wellbeing and good growth opportunities. The region's ethnic diversity will secure a workforce with the right mix of minds for the NCF to be a centre of excellence for offensive cyber, reflective of the nation it serves.

109. DSIT will engage with the National Cyber Force, Lancashire CCA, academia, local partners and stakeholders to bring together relevant parts of Government, supporting the alignment of research and development priorities and identification of potential collaboration and future funding as Lancashire mobilises its plan to deliver economic and social transformation for the region, and in the process strengthen the UK's international position as a leader in cyber security and a responsible and democratic cyber power.

## **Culture and Tourism**

### Culture

100. Lancashire's rich cultural and heritage offer has an important role in the area's plans to attract and retain skilled workers, and in contributing to pride in place in the region. Tourism and the visitor economy are crucial industries for Lancashire, with the area amongst the UK's most prolific visitor destinations every year. Blackpool, on the western coast of the county, is the nation's No1 seaside resort, with some 20m visits per year, and represents a £1.5 billion visitor economy.
101. Lancashire and a subset of DCMS Arm's Length Bodies (ALBs), supported by DCMS, will hold a series of exploratory conversations to explore the region's appetite and capacity for partnership working across (some or all of) culture, heritage, sport, communities and the visitor economy (as applicable). If there is agreement to undertake any partnership working, this would focus on the region's particular priorities and potential opportunities for the ALBs to help the region achieve these where they align with ALBs' own priorities for the region.
102. Insofar as appropriate this will lead to recommendations that the ALBs and/or place can act on if they wish to. This does not prejudice ALB decisions around national grant funding processes or their national priorities. ALBs will also seek to use any partnership to deliver their national priorities, which will remain paramount. The scale of each ALB's involvement in any partnership will be dependent on the specific context and degree of alignment identified between individual priorities.
103. These exploratory conversations will take place over a six month period that will start at a time agreed on by the region and relevant ALBs. DCMS will be involved in discussions as appropriate.

### Tourism

104. VisitEngland and the Lancashire CCA will work with the accredited Local Visitor Economy Partnership for the region to help further develop the region's visitor economy. This collaborative work, across those areas set out in the Government's Tourism Recovery Plan, could include harnessing the region's potential to grow domestic and international visitor spend, and encouraging visits throughout the year rather than just during the traditional tourist season.

## **Innovation, Trade and Investment**

105. The Government is committed to supporting places to realise their entrepreneurial and innovation potential, underpinned by ambitious measures set out in the Levelling Up White Paper.
106. The Department for Business and Trade (DBT) will work closely with devolution deal areas, including Lancashire, to make it easier for businesses to access the information, advice and support they need, drawing on DBT's global and sector offer.
107. The Department for Science, Innovation and Technology and UK Research and Innovation (UKRI) will work with Lancashire to explore opportunities for closer long-term collaboration in strengthening their local research and innovation capacity.



## Public Service Reform

108. The Government supports the Lancashire area in its ambition for public service reform, including a focus on creating safe, healthy, resilient communities. The Government commits to working with the region and partners to explore initiatives to improve delivery of public services, such as how best to support residents with multiple complex needs. Where appropriate, and as part of its levelling up agenda, the Government will also consider devolving further powers to the Lancashire CCA to support public service reform, in relation to the statutory duties held by its constituent councils.
109. Good quality data is essential for understanding local need and the place-specific issues affecting people in an area. As set out in the Levelling Up White Paper and the Government Statistical Service's Subnational Data Strategy, the Government is working to improve the dissemination of subnational statistics to empower local decision makers, including in Lancashire, to use data-led evidence to respond to local priorities.
110. The Lancashire CCA will work with the Government to understand the existing barriers to data sharing and better use of data in their area, and explore where improvements to the quality of, or access to, data could support them in achieving Lancashire's local ambitions. As part of this, the Spatial Data Unit (SDU) will work with the CCA to help support data capability, including in data science, and will engage with the CCA to further understand its needs and priorities.
111. The Government is committed to relocating roles out of Greater London and closer to the policy issues they are addressing. Relocation will benefit communities across the UK, bringing more diversity of thought into policy making leading to better-informed policy, built on an understanding of the impacts across the UK and drawing on a more diverse range of experiences, skills and backgrounds. The Government will continue to work with departments to consider the potential for any future relocations of government roles to Lancashire as part of the Levelling Up agenda.

## **Resilience and Public Safety**

112. The Lancashire CCA, in partnership with Government, 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.
113. The Lancashire CCA will work with Lancashire Fire and Rescue Authority (FRA) to agree an appropriate arrangement to ensure close collaboration and productive joint working on public safety between the CCA and FRA.
114. The UK Government will work to significantly strengthen Local Resilience Forums by 2030, as described in the UK Government Resilience Framework. This will include considering a clear role for Lancashire CCA in local resilience and civil contingency planning, preparation and delivery.
115. This is subject to the conclusion and full consideration of the Stronger Local Resilience Forums (LRF) pilot programme in 2025/26, and Lancashire CCA having a strong working relationship with Lancashire LRF.

## **Lancashire's Commitments Underpinning the Deal**

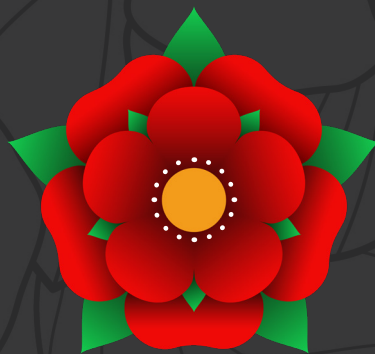
116. The constituent councils will work with the Government to develop a full implementation plan, covering each policy agreed in this deal, to be completed ahead of implementation. This plan must be approved by the Government prior to delivery. Any issues of concern with the subsequent delivery of this deal will be escalated to ministers and leaders to resolve, in keeping with the letter and spirit of devolution.
117. As part of the implementation of the deal, the Lancashire CCA and Government will agree a process to manage local financial risk relating to the deal provisions.
118. Prior to the implementation of the deal, Government will work with the Lancashire CCA to give the public and stakeholders – including Parliament – a clear understanding of: the powers and funding that are being devolved to the CCA, where accountability sits as a result of this deal; and how decisions are made.
119. The Lancashire CCA and its members will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.

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# LANCASHIRE COMBINED COUNTY AUTHORITY

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DRAFT PROPOSAL



November 2023

This document has been prepared by  
**Lancashire County Council,**  
**Blackburn with Darwen Council**  
and **Blackpool Council.**



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# EXECUTIVE SUMMARY

This document outlines our Proposal for a Combined County Authority (“CCA”) model of local government. It has been prepared by the three upper tier councils of Lancashire County Council, Blackburn with Darwen Council and Blackpool Council which have negotiated a proposed Devolution Deal with Government. If the proposals are accepted, Government would give additional powers and funding to the Lancashire CCA and more control over the decision-making that affects Lancashire’s residents and businesses.

The proposed CCA is intended to work collaboratively with the 12 district councils across Lancashire and would cover the whole Lancashire area. The creation of the CCA would not result in the merger or take-over of councils in the Area.

## Objectives

The objectives for the Proposal reflect regional and national strategy and are designed to ensure a positive future for our county and its people. Together they offer a bold and strategic framework so that:

- Lancashire competes better for its share of national resources and investment
- Lancashire’s public, private and voluntary sectors collaborate better to maximise the best use of our resources
- Lancashire has a strong and clear voice that responds innovatively to new opportunities and challenges
- Lancashire has a rich, meaningful and strategic dialogue with central government about the future of our county
- Lancashire is better positioned to respond to Government’s

Levelling Up objectives:

- Boosting productivity, pay, skills, jobs and living standards
- Spreading opportunities and improving public services
- Restoring a sense of community, local pride and belonging
- Empowering local leaders and communities.

## Context

A thriving Lancashire remains one of the prerequisites to a successful economy in the North of England. With a population of 1.53 million residents and a GVA of £35 billion, Lancashire already makes a major contribution and offers enormous potential to UK PLC. It has over 55,000 businesses providing over 728,000 jobs. It is a coherent economic area and has a range of significant future-looking sectors with potential for growth, including advanced manufacturing and engineering (one of the world's largest aerospace clusters), cyber, digital and low carbon, as well as traditional strengths in areas such as tourism and food production.

However, alongside this, the CCA Area also experiences challenges which impact on productivity and employment levels and the ability to grow. The historic structure of Lancashire's economy has a range of sectors which are gradually losing jobs. Economic shocks can hit harder and take longer to bounce-back from than in neighbouring economies. There are clear and profound disparities in skill levels, health, economic productivity measures and resident prosperity across the county which, in turn impact more widely on people's life chances.

## The Proposal

Our vision is for the 1.53 million people in Lancashire to be able to enjoy greater health, prosperity and wellbeing through the opportunities available to them within an inclusive and confident Lancashire.

We propose to use devolution to build upon Lancashire's substantial strengths in delivering benefits for its residents. This initial Proposal, if approved by the Secretary of State, will focus on the following priorities and will also establish our case for enhanced future deals.

### **Innovation, Trade, and Investment**

We will work with local and national stakeholders to become a globally recognised and sustainable economy, distinguished by its quality of life, connectivity, and access to opportunities.

### **Skills**

We will work collaboratively with employers, skills and training providers, local authorities and other stakeholders to support people to develop their skills throughout their lives and attract business to Lancashire because of our highly skilled workforce.

### **Transport**

We will work with transport providers inside and outside Lancashire to create better connected infrastructure that links opportunity to need and delivers travel choices that are safe, inclusive, affordable and low carbon.

### **Net Zero and Climate Change**

We will work across Lancashire to meet our low carbon ambitions, promote clean energy, and enhance our natural environment. Our ambition is that Lancashire becomes internationally recognised as a leader in the creation of 'green jobs', building upon our world class engineering and manufacturing capabilities.

### **Digital and Cyber**

We will work across Lancashire to continue to transform our digital infrastructure and knowledge-based sectors to balance and modernise our industrial base.

### **Culture and Tourism**

We recognise the fundamental importance of our culture and tourism assets and will work with stakeholders across Lancashire to strengthen these. This work includes the creation of a Local Visitor Economy Partnership to help further develop the region's visitor economy.

### **Housing and Land**

We will support the delivery of decent, affordable and low carbon housing for every community. High quality housing will benefit existing residents, as well as attract and retain the people required to drive the economy over the long term.

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The county is again on the cusp of another transformative chapter in its industrial and commercial history.

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## **Delivery**

We will implement streamlined governance and decision-making arrangements with a strong business voice to address the big opportunities and challenges for Lancashire<sup>1</sup>.

The Proposal includes up to £20 million capital funding in the current Spending Review period to support innovation led growth (including assets to maximise the benefits of the National Cyber Force in Samlesbury) and net zero ambitions across Lancashire .

<sup>1</sup> Subject to agreement of the relevant business cases.

## Principles

Our Proposal is based upon the four principles for levelling up set out in the Levelling Up White Paper:

Principle one: **Effective leadership** with a revised governance model across the CCA Area.

Principle two: **Sensible geography** – the CCA Area covered by this devolution deal has a clear functional economic geography as identified in the Lancashire independent Economic Review (2021).

Principle three: **Flexibility** – the Proposal recognises the unique needs and ambitions of the CCA Area in terms of its governance and priorities.

Principle four: **Appropriate accountability** – the Constituent Councils have, should the Proposal be approved by the Secretary of State, committed to developing a Constitution and Assurance Framework that will confirm, clarify and formalise the intention of institutions and local leaders to continue to be transparent and accountable, work closely with local businesses, seek the best value for taxpayers' money and maintain strong ethical standards.

Our principles also include the local commitments established through the Lancashire 2050 Strategic Framework:

Principle five: **Work collaboratively** – we will work collaboratively on our collective priorities sharing ideas, assets, skills and knowledge.

Principle six: **Cross-cutting themes** – we will ensure our commitments to diversity and inclusion, reducing inequalities, children and families, climate and improving quality of life are addressed through the CCA priorities.

Principle seven: **Listening to residents** – we will be active listeners in building our plans for Lancashire. Everyone will be able to contribute to shaping our shared future.

Principle eight: **Being open and transparent** – we will ensure decisions are made democratically and transparently, so residents can easily understand progress against our priorities.

## Benefits of the Proposal

We believe the time is now for devolution for Lancashire – drawing power from Whitehall to give Lancashire greater control over our public services and funding. The proposed CCA would give Lancashire a stronger voice both nationally and in the North West, allowing the region to compete on a more even playing field with our neighbours in Manchester and Liverpool.

Devolution in Lancashire would:

- Ensure we benefit from a boost in government funding, allowing the proposed CCA to tackle the issues that matter most to the people of Lancashire
- Give us new powers to drive regeneration in our town and city centres and build more affordable homes across Lancashire
- Enable us to support new jobs in growing industries such as low carbon technologies, cyber security and energy, making sure we have the right skills to take advantage of these opportunities
- Enable greater co-ordination of investment in, and management of our expertise, priorities, and investment in our transport infrastructure to ensure that it meets the needs of people across the region
- Drive investment across Lancashire, ensuring no area is left behind.

## Next steps

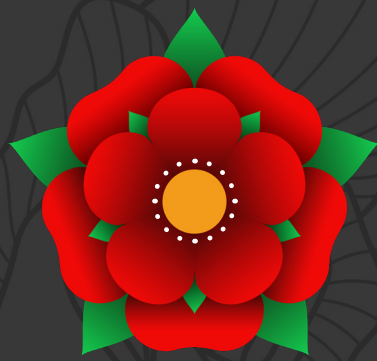
To gain feedback on the Proposal and to inform the decision as to whether to proceed to advance the Proposal (with any potential amendments) to the Secretary of State, an eight-week consultation is planned to be undertaken between 1st December 2023 and 26th January 2024. Transition to the proposed CCA is dependent on a number of factors:

- This Proposal being accepted by the constituent councils as a result of public consultation
- This Proposal then being accepted by Government
- The approval by Parliament of the necessary secondary legislation implementing the deal.

The transition to a formal CCA in Autumn 2024 is planned to be in three stages:

- Stage 1: Establishing transition arrangements – Autumn 2023 to Spring 2024
- Stage 2: Working as a shadow organisation – Spring 2024 to Autumn 2024
- Stage 3: Formal establishment of the CCA – Autumn 2024 onwards.

Lancashire partners recognise that devolution is a journey, not a one-off event. This Proposal is the first step in a process of further intended devolution. As institutions mature, they can gain greater responsibility, and Lancashire will seek to deepen its devolution arrangements over time, subject to Government agreement.



# 1. INTRODUCTION

Lancashire is a diverse county with a rich history and culture. The emblem of the historic county of Lancashire is the Red Rose of the English royal House of Lancaster. The contrasting geography of the area, along with the creativity and friendliness of its people, combines to make Lancashire a great place to live, learn and work. Lancashire has a long tradition of innovation and entrepreneurship which has gone on to change the world. Today, over 250 years since Richard Arkwright's cotton spinning technology helped to reshape the global economy, the county is again on the cusp of another transformative chapter in its industrial and commercial history.

On the 22 November 2023 the government announced the potential for a devolution deal for Lancashire. The potential signing of the proposed deal would, subject to relevant approvals and consultation, represent a significant milestone in the region's development, addressing decades of historically low investment and providing a platform for innovation-led growth.

A thriving Lancashire remains one of the prerequisites to a successful economy in the North of England. With a population of 1.53 million residents and a GVA of £35 billion, Lancashire already makes a major contribution and offers enormous potential to UK PLC. It has over 55,000 businesses providing over 728,000 jobs. It is a coherent economic area and has a range of significant future-looking sectors with potential for growth, including advanced manufacturing and engineering (one of the world's largest aerospace clusters), cyber, digital and low carbon, as well as traditional strengths in areas such as tourism and food production.

However, alongside this, Lancashire also experiences challenges which impact on productivity and employment levels and the ability to grow. The historic structure of Lancashire's economy has a range of sectors which are gradually losing jobs. Economic shocks can hit harder and take longer to bounce-back from than in neighbouring economies.

A thriving Lancashire remains one of the prerequisites to a successful economy in the North of England.

There are clear and profound disparities in skill levels, health, economic productivity measures and resident prosperity across the county which, in turn impact more widely on people's life chances. 2021 data (latest) on Gross Disposable Household Income shows considerable variation across Lancashire, with around £10,000 difference between the households in Lancashire with the lowest disposable household income (Blackburn with Darwen (£15,025) and the highest Ribble Valley (£24,734).

As a result of their devolution agreements, other areas such as Greater Manchester have seen significant benefits and stronger economic performance. Lancashire now has its opportunity to access greater local powers and funding to address its challenges and exploit its significant opportunities.

Government's devolution framework places a strong emphasis on strong local governance and joint working across functional economic geographies. The upper tier local authorities of Lancashire and Government have agreed a historic Level 2 devolution deal which will provide powers and funding to enable Lancashire to unleash its economic potential and in doing so level up, raise living standards for its communities and make a greater contribution to the UK economy. The Proposal shows how levelling up can be done within a complex geographical area – with clear alignment to the 12 headline Levelling Up missions.

CCAs are a new model of devolution, outlined in the Levelling Up and Regeneration Act (2023). Establishing a CCA is a formal, legal step, allowing upper tier councils across the region to work more closely together in a more structured way. A CCA for the region would be a new statutory authority created to lead collaboration between councils and would act as the recipient of powers and funding from Government.

The creation of the proposed CCA would not result in the merger or take-over of councils in the Area nor would it require individual councils to give up their powers, except in the specific area of transportation, where some powers would be transferred from the upper tier authorities to the CCA. Cooperation in transport matters between the CCA and the councils would also continue into the longer term with certain powers to be held concurrently moving forward to enable the parties to work together effectively in the years ahead. The CCA would work as one democratically accountable body on key priorities such as economic development, regeneration and transport, enhancing the investment capability of the CCA Area and individual authorities to support growth.

We believe the time is now for devolution for Lancashire – drawing power from Whitehall to give Lancashire greater control over our public services and funding. The CCA will give Lancashire a stronger voice both nationally and in the North West, allowing the region to compete on a more even playing field with our neighbours in Manchester and Liverpool.



Devolution in Lancashire would:

- ensure we benefit from a boost in government funding, allowing the proposed new CCA to tackle the issues that matter most to the people of Lancashire
- give us new powers to drive regeneration in our town and city centres and build more affordable homes across Lancashire
- enable us to support new jobs in growing industries such as low carbon technologies, cyber security and energy, making sure we have the right skills to take advantage of these opportunities
- enable greater co-ordination of investment in, and management of our expertise, priorities, and investment in our transport infrastructure to ensure that it meets the needs of people across the region
- drive investment across Lancashire, ensuring no area is left behind.

Whilst the devolution of power and responsibilities would be to the CCA whose constituent members are the three upper tier local authorities, the Proposal respects the importance of the continued role of the district / borough councils<sup>2</sup> (see Figure 1 below) whose powers and functions remain intact and who would also have specified consenting rights in respect of the exercise of some powers by the CCA.

**If devolution goes ahead, all local councils in Lancashire will continue to exist, as they do now. Councils will continue to have the responsibilities they do now, providing vital services to their communities and championing their towns, rural communities, and cities.**

Lancashire partners recognise that devolution is a journey, not a one-off event. This Proposal is the first step in a process of further devolution. As institutions mature, they can gain greater responsibility, and Lancashire would intend to deepen its devolution arrangements over time, subject to Government agreement.

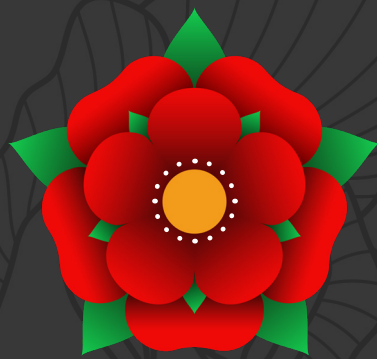
This Proposal document sets out further detail on our plans<sup>3</sup>.



**Figure 1** Map of the proposed Lancashire CCA Area and local authority boundaries. The area covered by Lancashire County Council is shown in light blue.

<sup>2</sup> Burnley Borough Council, Chorley Council, Fylde Borough Council, Hyndburn Borough Council, Lancaster City Council, Pendle Borough Council, Preston City Council, Ribble Valley Borough Council, Rossendale Borough Council, South Ribble Borough Council, West Lancashire Borough Council and Wyre Borough Council.

<sup>3</sup> In line with guidance from Department for Levelling Up, Housing and Communities, this Proposal adopts and acknowledges best practice from a range of devolution documents from other areas, including the EMCCA.



## 2. BACKGROUND AND CONTEXT

Lancashire is 'polycentric' with a strong network of urban centres set amongst areas of outstanding natural beauty. Home to the cities of Preston and Lancaster and the larger towns of Blackpool and Blackburn, the area brings together a range of nationally significant businesses and assets including BAE Systems and Springfields Nuclear Fuels, combined with a highly capable engineering and manufacturing supply chain. Our county contains four world class universities and 11 further education colleges, which provide excellence in research, skills development, and business support. The area has a rich quality of place offer that complements the more urban offers of Manchester and Liverpool, with its population living within easy access of countryside and coast.

Partners across Lancashire already work closely together on many collaborative large-scale initiatives such as major inward investment projects and the underpinning evidence base and strategies. The proposed CCA supports the growing recognition that our extensive range of strengths and opportunities as a functional local area complement each other. The Proposal's focus on Lancashire-wide issues will improve cohesion between local areas and with other areas.

### Population

The proposed CCA Area will cover a population of more than 1.53 million people. This compares to:

- West Midlands Combined Authority - 2.9 million
- Greater Manchester Combined Authority - 2.9 million
- West Yorkshire Combined Authority - 1.9 million
- Liverpool City Region Combined Authority - 1.56 million
- North East Combined Authority - 1.16 million
- South Yorkshire Combined Authority - 1.41 million
- West of England Combined Authority - 0.95 million
- Tees Valley Combined Authority - 0.66 million.

This would make the proposed CCA comparable in size to mid-sized combined authority areas. The Proposal would play a key role in driving new economic, social and cultural opportunities to ensure the CCA Area is better able to compete with other sub-regional economies.

## Economy

The proposed CCA is very significant, covering almost as many residents and working age residents as the Liverpool City Region, and contributing £35bn in GVA to the UK economy<sup>i</sup>.

In 1998, Lancashire was the second-largest economy in the North West, this continued for the next decade until the Global Financial Crisis of 2008, when Lancashire was badly impacted. Along with Cumbria and the Liverpool City Region, Lancashire's economy did not recover to pre-2008 levels until 2014, whilst both Greater Manchester and Cheshire had recovered by 2011. Cumbria and the Liverpool City Region both enjoyed a stronger recovery than Lancashire did, with Cumbria recovering to 3.3% above pre-crisis levels and Liverpool City Region to 2% above – with Lancashire recovering to just 1% above. By the time Lancashire's economy had recovered to pre-crisis levels of output, it had fallen to the third largest in the North West, having been overtaken by the Liverpool City Region.

Pre-Pandemic, Lancashire's economy was still the third largest economy in the North West, but economic data for 2021 shows Lancashire's economy is still 3% smaller than pre-pandemic in real terms<sup>ii</sup>. History dictates a change of tack is needed to ensure Lancashire's recovery from the pandemic does not take as long as the recovery from the Global Financial Crisis – implementation of this Proposal would unlock policy levers to better stimulate, recover and grow Lancashire's economy.

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The Proposal would play a key role in driving new economic, social and cultural opportunities to ensure the CCA Area is better able to compete with other sub-regional economies.

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The functional economic area (areas that share a number of similar economic factors with boundaries that ideally reflect the drivers of the local economy) has been strengthened through the Local Enterprise Partnership, in place since 2011. This footprint renews those boundaries, and will cover a combined 1.53 million residents, and more than 700,000 jobs. 88% of employed Lancashire residents also work in jobs in Lancashire, though Lancashire residents are also working in large numbers in neighbouring areas like Greater Manchester (38,000), Liverpool City Region (15,000), Cumbria (4,500), Cheshire and Warrington (4,000) and as far as the Leeds City Region (3,800) and York and North Yorkshire (3,400). The integration of these economies and labour markets works both ways, with Lancashire attracting talent from all over the North, with some 30,000 from Greater Manchester, 16,000 from the Liverpool City Region, and more than 3,000 from both Cumbria and the Leeds City Region<sup>iii</sup>.

## Transport and Infrastructure

The proposed CCA Area benefits from a huge amount of strategic assets summarised as follows:

- 104 miles of motorways, the M6, M55, M58, M61 and M65 as well as 616 miles of major roads, and more than 5,000 miles of roads in total<sup>iv</sup>
- High levels of strategic rail connectivity, including stations on the West Coast Mainline, and stations connected to Merseyrail, Northern, and Transpennine Express
- Preston Railway Station is a key stop and saw more than 4.1million entries and exits in 2021-22, the 70th most used rail station of more than 2,500 nationally, with direct trains to London in 2 hours and 15 minutes<sup>v</sup>
- In total, stations in Lancashire handled more than 16 million entries and exits in 2021-22<sup>vi</sup>
- Heysham Port with links to Ireland and the Isle of Man, connected to the M6 via The Bay Gateway
- Blackpool Airport and Blackpool's connectivity to the North Atlantic Loop
- Enterprise Zones at Blackpool Airport, Samlesbury, Warton, and Hillhouse
- An established pipeline of major development and infrastructure projects with the potential to secure over £20bn of investment over the next decade<sup>vii</sup>

## Business and Manufacturing

The proposed CCA Area has 627,000 employed people<sup>viii</sup> with 55,000 businesses, and 220 large employers<sup>ix</sup>. The proposed CCA Area benefits from an exceptionally strong advanced manufacturing base and one of the largest aerospace clusters in the world. The manufacturing sector in Lancashire:

- Generated £6.4bn in 2021 - 8th highest of any enterprise region
- Employs 84,000 people in Lancashire
- Its contribution to the Lancashire economy is almost double what is typical nationally<sup>x</sup>.

Lancashire is a world leader in transport equipment manufacturing, in both aerospace and automotive, with prime manufacturers such as BAE Systems in Warton and Samlesbury, which has two of its three largest sites in the UK situated within Lancashire, employing 10,000 people. Other major employers include Rolls Royce in Barnoldswick, Safran Nacelles in Burnley, and Leyland Trucks in South Ribble. Lancashire is home to the North West Advanced Manufacturing Research Centre (AMRC), supporting manufacturing innovation across Lancashire.

Lancashire also has a strong food manufacturing sector, which contributes almost 3.5% of Lancashire's economy (compared to around 2% nationally), with large employers such as Fox's Biscuits, Huntapac, and Flavourfresh Salads.

These draw on Lancashire's strong and concentrated Food and Agriculture businesses, which provide more than £2bn a year to Lancashire's economy, accounting for almost 7% of Lancashire's economy, compared to 5% nationally<sup>xi</sup>.

Nuclear technology is also significant in Lancashire given the presence of EDF's Nuclear Power Stations at Heysham, currently the only site in the UK with two operating nuclear power stations. Lancashire also plays host to The National Nuclear Laboratory in Salwick with Springfields Nuclear Fuels, where the design and manufacture of nuclear fuels takes place. Alongside Springfields is Westinghouse's Clean Energy Technology Park, an innovation campus open to the nuclear supply chain, academia, and technology developers to collaborate to develop and demonstrate advanced nuclear technologies. Lancashire's nuclear specialisms dovetail well with its Low Carbon story, producing almost 10% of the UK's wind power in 2022<sup>xii</sup>, as well as being forecast to be home to the highest number of Low Carbon Electricity jobs per head of the population by 2030<sup>xiii</sup>.

Lancashire also has a burgeoning Healthcare sector, which employs more than 100,000 people, 16% of employment in Lancashire comes from this sector, almost a fifth higher than the national average<sup>xiv</sup>. This comes with the presence of large hospitals, such as Blackpool Victoria, Royal Preston and Royal Blackburn teaching Hospitals, as well as from our base of innovative businesses working across MedTech, Life Sciences, diagnostics, and clinical research. Lancashire's health sector is also supported by the presence of innovation assets such as Lancaster University's Health Innovation Campus, and the THRIVE research centre at University of Central Lancashire, amongst many others.

Our science and innovation ecosystem are underpinned by Lancashire's three universities, Edge Hill, Lancaster University and the University of Central Lancashire, as well as the Lancaster Campus of the University of Cumbria. In 2021, 91% of research undertaken within Lancaster University's Faculty of Health and Medicine's was rated as "world leading" or "internationally excellent".

Its Management School is rated as the number one business school in the UK for research power, and its Environment centre is ranked 5th nationally for "research power".

The University of Central Lancashire opened its £35m Engineering Innovation Centre in 2019 supporting innovation in engineering and manufacturing in Lancashire.

Lancashire is also to be the permanent home of the National Cyber Force (NCF), and will create the North West Cyber Corridor in collaboration with Greater Manchester, joining NCF with GCHQ in Manchester. This will cement the North West as the Cyber Centre of the UK, with Lancashire playing a leading role.

The investment in the National Cyber Force will bring 2,000 jobs to Lancashire, long-term sustainable funding and will catalyse clustering and agglomeration of digital and cyber businesses in Lancashire, creating high-quality well-paid jobs, and bringing further prosperity.

Outside of our two cities, Lancaster and Preston, the businesses and activities located in the proposed CCA Area's districts and boroughs generate almost 80% of our GVA<sup>xv</sup>. The share of Lancashire's economy that comes from its cities has remained largely unchanged in the last 20 years, but there have been winners and losers in the distribution of the remainder. The Fylde coast accounts for 1.7% less of Lancashire's economy now than it did in 1998, and there are shrinking shares of the economy that come from most districts and boroughs of East Lancashire. These towns, boroughs and rural economies play host to key manufacturing sites, large employers and thriving small businesses, and are home to much of Lancashire's workforce too.

## Commuting and Labour Force

The proposed CCA Area is already a highly functional economic geography, with the Lancashire LEP area having 88% of its workforce living in Lancashire, and 14% of residents working outside of Lancashire in areas like Greater Manchester, the Liverpool City Region, Cheshire and Warrington, and Cumbria. Whilst there is a large labour force locally to provide businesses with employees (940,000 working age residents), the proposed CCA Area will need to continue to catalyse the delivery of great opportunities for work, housing and leisure in order to remain attractive to those who live and work here. This will include building a more attractive proposition to retain more of the graduates from Lancashire's three universities, with around a quarter of graduates from Lancashire universities in the last three years staying to work in Lancashire after they graduate. Lancashire's retention of graduates is the second lowest of all areas of the North, and below the national average of an area retaining a third of its graduates in employment after they graduate<sup>xvi</sup>.

Whilst Lancashire does have a large working age population, post-pandemic the proportion of Lancashire residents who are economically active (that is they are employed or are looking for work) has fallen considerably. Lancashire has more than 220,000 residents who are economically inactive, which is almost a quarter of its working age population. Lancashire has long had an economically inactive cohort which has been greater in proportion of the workforce than was typical nationally, but this has become more acute post-pandemic, with the gap between Lancashire's economic inactivity rate and the national rate growing from 0.4% to 3.3%<sup>xvii</sup>.

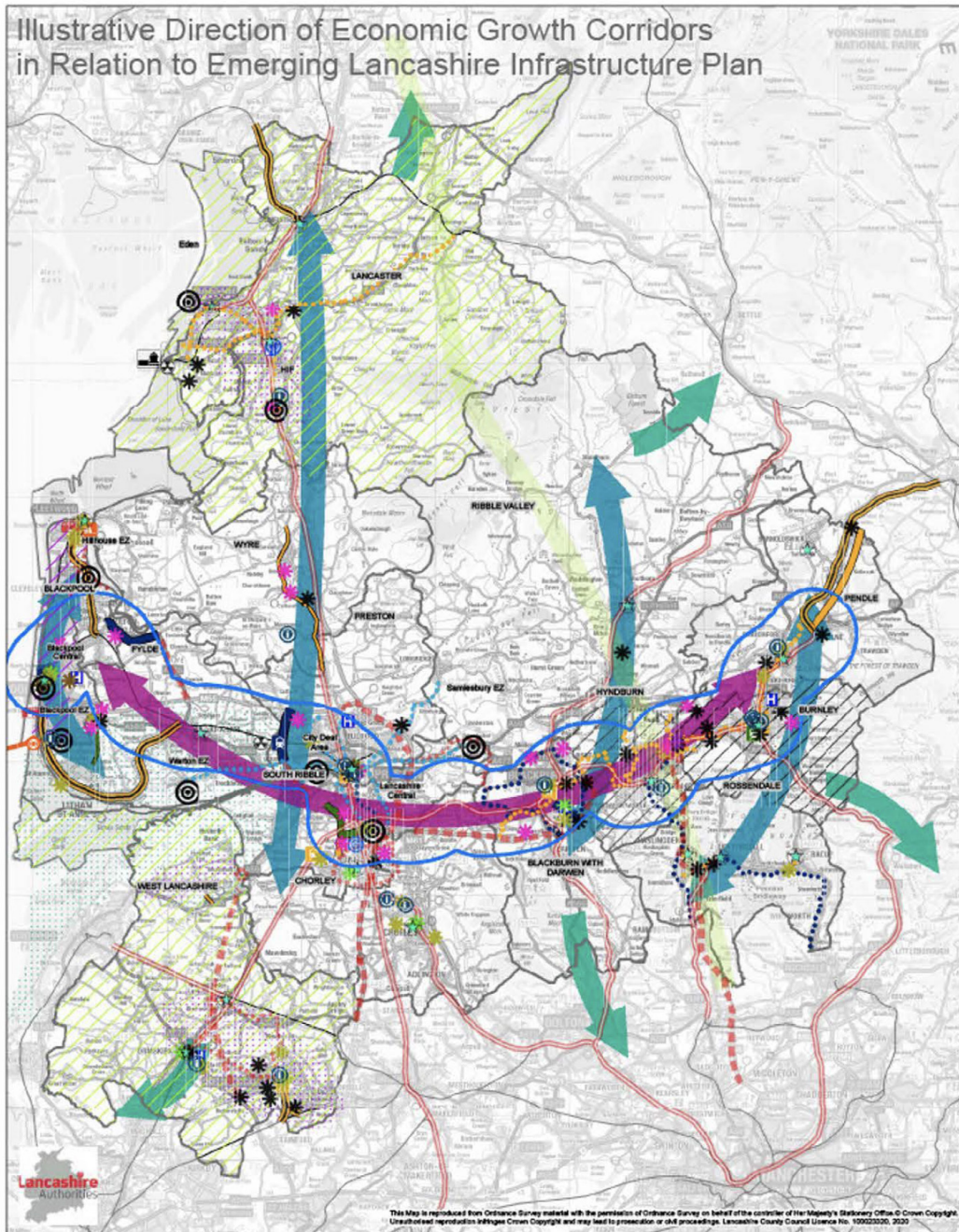


Figure 2 - Map of Economic Corridors in Lancashire, source: LIER 2021

## Housing

Across the country, mismatches of demand for housing and housing supply are ubiquitous. In many areas, this leads to increasingly unaffordable and, in some areas, unsuitable dwellings. The proposed CCA Area, like much of the nation, has seen a shortage in housing supply. An estimated 5,200 homes a year are required to meet local need<sup>xvii</sup>. Over the last five years, an average of 4,560 homes a year have been completed<sup>xix</sup>. Based on these trends, we are likely to see a shortfall of over 6,400 homes over the next 10 years, which adds to the existing lack of supply.



This is a challenge, but Lancashire is somewhat insulated from lack of affordability for existing housing (relative to the typical position nationally), with a median house price to earnings ratio of 5.64:1, compared to the England average of 8.91:1 and the North West average of 6.47:1<sup>xx</sup>.

For newly built dwellings though, Lancashire's house price to workplace-based earnings ratio is 8.66:1 (i.e. earnings typical for someone working in a Lancashire workplace, as opposed to earnings from Lancashire residents who may work outside of Lancashire) - this is much closer to the England average of 8.91:1 for existing dwellings, and 9.85:1 for newly built dwellings<sup>xxi</sup>.

Newly built homes are not being built quickly enough in Lancashire and the gap between housing need and housing provision is widening every year. Despite being the third most affordable new-builds of all "Shire Counties," the affordability of new-builds has dipped by a factor of more than four times the median income in Lancashire since 1998, and they are increasingly unaffordable for Lancashire residents.

## Parity of investment

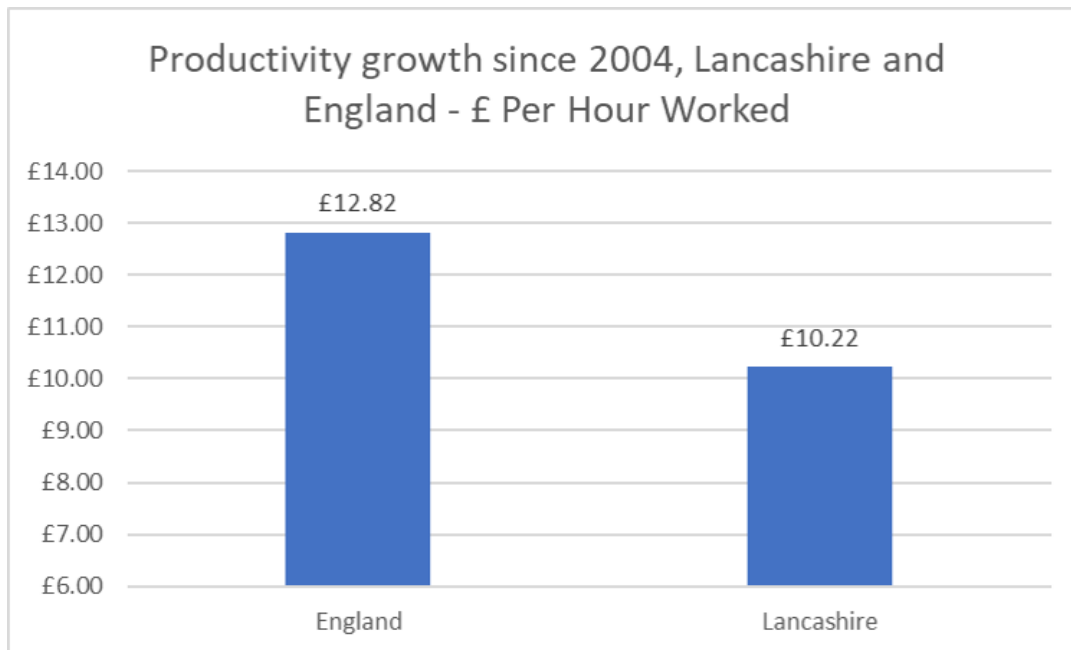
Investment spending in Lancashire has grown on average by 0.8% a year since the Global Financial Crisis. This rate of growth in investment spending puts Lancashire in the bottom fifth of areas nationally, and looking at growth from 1997 onwards, Lancashire is the worst performing region in the country for growth in investment spend. In the North West, only Cumbria had a lower investment spend than Lancashire in 2020, but investment in Cumbria totalled around £11,300 per head, in Lancashire it was just £3,700<sup>xxii</sup>.

## Addressing productivity, skills, and employment

Improvements in productivity can help lift wages and provide high quality jobs across all parts of the country. Across the proposed Lancashire CCA Area there has been a long-standing gap in productivity compared to England as a whole. Despite an increase in productivity of almost 45% since 2004, this has been slower than the growth nationally (49.1%), and so the gap between Lancashire's productivity and the national average rate of productivity has grown.

In 2004, Lancashire's productivity was 12.7% below the national average, as of 2021 this gap has grown, and Lancashire's productivity is 15.3% below the national average<sup>xxiii</sup>.

A devolved CCA can support the improvement of skills and qualifications in Lancashire residents, boosting workforce participation and employment, enhancing productivity, improving earnings and standards of living.



**Figure 3 – Graph of Productivity Growth in Lancashire and England**

Source: Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions - Gross Value Added (Balanced) per hour worked at Current Prices 2004-2021 2023, ONS  
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After the recovery from the Global Financial Crisis, and prior to COVID-19, the proposed CCA Area’s economy had grown by an average of 1.9%, slightly below the rate seen in Cheshire and Warrington and 1.3% below Greater Manchester. During this time, Lancashire saw improvements in skills, with an additional 47,000 residents holding Level 4 or above qualifications, and in high value employment opportunities, with an additional 25,000 people working in the most highly qualified occupations. Despite these improvements there remains a significant gap between Lancashire’s economic performance and that of England and there remains some fundamental challenges to be addressed:

- A loss of £3.8 billion in GVA during the first year of COVID-19, and Lancashire’s economy still almost 3% smaller than pre-pandemic. <sup>xxiv</sup>
- An estimated 22% of jobs in the Area will be affected by the transition to a net-zero carbon economy requiring the upskilling of 70,000 workers. <sup>xxv</sup>
- Poor east-west connectivity by road and rail, more than half of Lancashire’s population live along the east-west axis between Colne and Blackpool, and the four largest settlements in Lancashire lie along this stretch. <sup>xxvi</sup>
- The Area has a low skill low wage economy with the median annual pay of both residents and workplaces in the proposed Area being almost 11% lower than the United Kingdom average. <sup>xxvii</sup>
- Four of the proposed Area’s 14 local authorities rank in the bottom 10% (decile) of all authorities across the United Kingdom on median gross annual workplace pay, and half are in the bottom third. <sup>xxviii</sup>

- Lower than average labour market participation with the Area's employment rate (72.5%) falling below the Great Britain (75.6%) average. Lancashire has a higher rate of economic inactivity amongst the working age population (24.7%) than is typical across Great Britain (21.4%).<sup>xxix</sup>

In terms of levelling up measures there are significant differences between different district/borough localities in the Area:

- Productivity, with three of the Area's local authorities in the top 25% (quartile) nationally in 2021 (South Ribble, Fylde and Ribble Valley), but six falling in the lowest performing quartile, including Blackburn with Darwen and Blackpool, which were in the bottom 10% (decile) nationally, and a total of nine in the bottom third.<sup>xxx</sup>
- Workplace pay, with Ribble Valley in the best-paid 50 local authorities nationally where pay is around 9% higher than the UK average, but six of the Area's authorities amongst the lowest ranking 25.0% nationally (Blackburn with Darwen, Wyre, Blackpool, Rossendale, Pendle and Burnley) where weekly pay is up to 22% below the UK average.<sup>xxxi</sup>
- Employment rate, with two District/Borough areas in the best performing quartile (Fylde, South Ribble) nationally, but eight in the worst performing 25.0%, including Pendle, ranked second lowest in the country (after Brent), with Wyre fourth lowest, and Chorley 10th lowest.<sup>xxxii</sup>

## Reducing wider inequalities

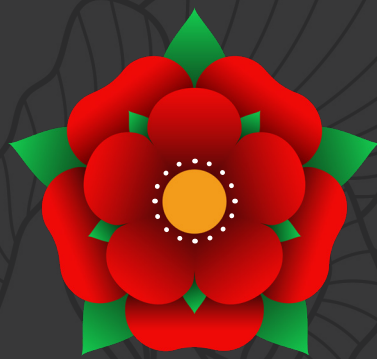
The proposed CCA Area experiences persistent and systemic deprivation, with almost a fifth of neighbourhoods in Lancashire considered to be in the most deprived 10% of neighbourhoods across England.<sup>xxxiii</sup> There are significant pockets of deprivation right across Lancashire, with 8 of the 10 most deprived neighbourhoods in the country coming from Blackpool alone, and a further 33 neighbourhoods in the most deprived 1% across the country. On a district/borough level, Blackpool is the most deprived in the country, Burnley and Blackburn with Darwen are in the top 10, and Hyndburn, Pendle and Preston are in the 50 most deprived nationally.

In Lancashire, there are significant differences in outcomes depending on where you live:

- Both males and females have a lower healthy life expectancy than is typical nationally across all upper tier authorities of the proposed CCA. In Blackpool, males and females both have the worst recorded healthy life expectancy of any local authority in the county, at 74.1 years for males and 79 years for females, compared to a national average of 79.4 and 83.1 years respectively. For males across Lancashire, healthy life expectancy is particularly challenging, with eight of the proposed CCA's 14 district/unitary authorities amongst the lowest fifth of local authorities in the country by healthy life expectancy.<sup>xxxiv</sup>

- From a health standpoint, more than a third of economic inactivity in Lancashire is due to long-term ill health, compared to 26.6% nationally – Lancashire’s proportion of inactivity due to ill health is the 7th highest area in the country. <sup>xxxv</sup>
- GCSE Average attainment 8 scores at Key Stage 4 for all upper tier authorities in the proposed CCA are below the England average. <sup>xxxvi</sup> Across the districts/boroughs, attainment varies considerably, Blackpool was the third lowest performing district authority nationally at Key Stage 4 in 2022/23, with four other Lancashire districts in the worst performing fifth. On the other hand, Chorley, Ribble Valley, and Rossendale are in the best performing third nationally. <sup>xxxvii</sup>
- At the early years foundation stage, four of Lancashire’s district/boroughs are in the lowest 10% (decile) nationally on children meeting the expected level on early learning goals for five-year-olds <sup>xxxviii</sup>. Additionally, 10 of the Area’s 14 local authorities are in the poorest performing 25% of areas nationally, only Ribble Valley and Fylde are in the top 50% of local authorities by this measure.
- A lower proportion of adults are qualified to NVQ level 3+ than England (47.7%: 50.8% respectively), and six of Lancashire’s 14 districts are in the least well qualified third of local authorities nationally. <sup>xxxix</sup>
- Similarly, Lancashire is also behind the national average for the proportion of adults with a Level 4 or above qualification (29.5% vs 33.9% in England). <sup>xl</sup>





# 3. OUR AMBITIONS

Our vision is for the 1.53 million people in Lancashire to be able to enjoy greater health, prosperity, and wellbeing through the opportunities available to them within an inclusive and confident Lancashire.

## Objectives

The objectives for the Proposal reflect regional and national strategy and are designed to ensure a positive future of our county and its people. Together they offer a bold and strategic framework so that:

- Lancashire competes better for its share of national resources and investment
- Lancashire's public, private and voluntary sectors collaborate better to maximise the best use of our resources
- Lancashire has a strong and clear voice that responds innovatively to new opportunities and challenges
- Lancashire has a rich, meaningful and strategic dialogue with central government about the future of our county.
- Lancashire is better positioned to respond to Government's Levelling Up objectives which are;
  - Boosting productivity, pay, skills, jobs and living standards
  - Spreading opportunities and improving public services
  - Restoring a sense of community, local pride and belonging
  - Empowering local leaders and communities.

## Outcomes

Through delivering on these objectives, we aim to achieve the following outcomes for our residents and the CCA Area:

- A stronger voice in the North West that is currently dominated by Manchester and Liverpool
- Encourage innovation led growth through long term investment in major opportunities
- Match skills to economic need to increase productivity and wellbeing of people who live and work in the area
- Reduce inequality and promote social mobility to allow people to achieve their potential

- Improve transport links to offer greater choice and facilitate better and more sustainable access to our economic hubs, including improving east – west connectivity
- Greater access to Government funding that is exclusively targeted at devolved areas
- Greater say on where to spend investment
- Decision making brought closer to communities, increasing the visibility of those decisions
- Lancashire authorities will gain powers from Whitehall.

## The Lancashire evidence base

Our devolution ambitions have been informed by substantial Lancashire level analysis over recent years and are based upon a series of major reviews and consultations.

### Lancashire Independent Economic Review | 2021

This major review showed how the county can build on its world-beating strengths, tackle its economic challenges, and deliver environmentally responsible and inclusive growth while shaping public sector reform and local government reorganisation. The exercise was informed by a call for evidence that was open to individuals, communities, businesses, or representative organisations from within Lancashire and beyond who had an interest in the economic future of Lancashire and who could deepen partners' understanding of the Lancashire economy. One of the central recommendations was for 'strengthened combined governance across Lancashire' to take advantage of the opportunities offered through devolution.

The main report covered 'Productivity, Innovation and Work', 'Skills, Education and Health', 'Housing and Resilience', 'Transport, Infrastructure and Connectivity' and 'Place Governance Capacity' and was enhanced by a series of deep dive reports:

- Internationalisation Strategy for Lancashire
- Economic Geography and the future of towns
- Infrastructure Strategy for Lancashire
- Health, Wealth and Wellbeing
- Stronger and Greener: The future of manufacturing in Lancashire
- Lancashire Net Zero Pathways Options
- Climate Resilience Study
- Lancashire State of the Environment
- State of the Environment: Renewable Technology

### Lancashire 2050 Strategic Framework, launched in 2022

Initiated by Lancashire's 15 councils and involving a wide range of stakeholders, Lancashire 2050 sets out a long-term vision, ambition and plans for the Area.

**Vision:** a place where every single person can live their best life.



**Ambition:** to be seen across the world as the best place to make a home, raise a family, develop a career, do business, and grow old. A place made up of communities everyone is proud of, that celebrates our sense of place, heritage, and natural environment. A place where we always look to the future.

**Plan:** Our plan for achieving our vision is organised around eight priority areas. The framework for action will help us focus on the things that are most important, as well as respond to changing local and global trends, policy mandates and place needs. It will mean that Lancashire can speak with one voice when championing our needs in government.

Local partners have established working groups across the eight priority areas as described within section 4 of this proposal.

## Responding to the Devolution opportunity

Lancashire partners used the substantial local evidence base and strategic work to assess the devolution framework set out by government in the Levelling Up White Paper. This technical assessment exercise, shared with Government officials in June 2023, considered the following four points across the range of devolution functions set out by Government for a Level 2 Deal:

- What Lancashire is/has already done under each devolution theme
- Identification of specific Lancashire options and proposals under each devolution theme
- Why these proposals are a priority/key issue for Lancashire
- How the Lancashire proposals aligns with Government policy <sup>4</sup>

Crucially, this approach has allowed partners to understand which priorities can be supported through the Proposal and which could be taken forward over time.

## Our Priorities

We propose to use devolution to build upon Lancashire's substantial strengths in delivering benefits for its residents. This initial Proposal will focus on the following priorities and will also establish our case for potential enhanced future deals.

Within this section, we set out what we would intend the CCA would deliver across our key priority areas if this Proposal is approved.

<sup>4</sup> The CCA Priorities also directly support a number of Labour's 5 Missions announced in February 2023; Securing the "highest sustained growth" in the G7 group, Making Britain a "clean energy superpower", removing fossil fuels from all of Britain's electricity generation by 2030 and Raising education standards.

## Innovation, Trade, and Investment

**We will work with local and national stakeholders to become a globally recognised and sustainable economy, distinguished by its quality of life, connectivity, and access to opportunities.**

We will use the devolution process to refresh our strategic plans for economic prosperity. These plans will build upon our competitive advantages, exploit opportunities, and develop new sectors capable of delivering economic growth and high-value job creation over the long term. The proposed CCA will enable Lancashire to produce better strategic cases for investment and gain a greater share of national resources.

Devolution for Lancashire can support us to overcome a historical imbalance of economic performance, low productivity, low investment, and employment at a local level and ensure that Lancashire gets the necessary boost in funding to address longstanding inequalities and support levelling up our communities. Lancashire has opportunities aplenty in all parts of the county, and devolution will put Lancashire in a better position to realise the benefits of these opportunities to improve the lives of residents.

This Proposal can further stimulate business diversification through building upon the existing sectoral strengths of the CCA Area, and catalysing growth in future industries, such as Energy and Low Carbon and Cyber. This activity will ensure no area of Lancashire is left behind, and the future of Lancashire is one which is equitable for residents in all corners of Lancashire. Devolution will allow Lancashire to build on its proud history of international trade, supported by a county wide internationalisation strategy, and boost investment across all areas of Lancashire.

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), a flexible funding pot, will be aligned with devolution deal responsibilities. This would mean that the proposed CCA could have such responsibilities from 2025/26. In carrying out this role, the proposed CCA and the constituent councils will work closely with the Lancashire District Leaders Forum in an advisory capacity. Delivery of these functions will build on existing district-led delivery arrangements for UKSPF and align with the Lancashire 2050 strategy, as agreed by all Local Authorities in Lancashire, to ensure that the needs of residents can be effectively addressed.

The Proposal will provide £6m capital investment<sup>5</sup> to create an Innovation Hub of international excellence at Samlesbury Enterprise Zone. The new centre will help stimulate the growth of new clusters to maximise the transformational benefits of the £5bn National Cyber Force in Lancashire.

The Proposal will provide £6m for the Blackburn Technology Innovation Quarter<sup>6</sup>. The project will provide new business space to support the growth of Lancashire's digital, creative, and cyber sectors.

Through the Proposal, Government departments will consider the potential for future relocations of Government roles to Lancashire as part of the Levelling Up agenda.

To support the proposed CCA in its initial stages of this deal, the Government will provide £1m of capacity funding.

## Skills

**We will work collaboratively with employers, skills and training providers, local authorities, and other stakeholders to support people to develop their skills throughout their lives and attract business to Lancashire because of our highly skilled workforce.**

In Lancashire's labour market, the estimated employment rate is below the national rate and has worsened since the pandemic. Lancashire's labour force is also characterised by a lower proportion of residents with higher level qualifications.

The Proposed deal includes new powers to better shape local skills provisions to ensure these meet the needs of the local economy. This will include devolution of adult education, the core Adult Education Budget, and the opportunity to further refine the Local Skills Improvement Plan. Funding for Free Courses for Jobs will also be devolved and will be ring-fenced.

A strong, resilient, and inclusive economy brings health benefits to its residents, just as good population health is essential to economic prosperity, health and wealth are effectively 'two sides of the same coin'. As a CCA Area, Lancashire will be better placed to bid to become a pilot on national economic inactivity programmes that support individuals with health conditions to be retained or re-engaged through early intervention in the workplace.

## Transport

**We will work with transport providers inside and outside Lancashire to create better connected infrastructure that links opportunity to need and delivers travel choices that are safe, inclusive, affordable, and low carbon.**

Partners will build on a successful track record of major transport investment, and Lancashire's fourth Local Transport Plan will set its direction and priorities

<sup>5</sup> Subject to Business Case approval.

<sup>6</sup> Subject to Business Case approval.

for highways and transport investment. This plan will work across the county to secure the benefits of connectivity in support of widening transport choices and supporting low carbon travel opportunities. Lancashire has a significant infrastructure pipeline of road transport, bus and rail schemes, and active travel projects that it is seeking to fund through devolution.

The Proposal includes 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.

The Proposal includes plans to improve public electric vehicle charging infrastructure to increase the uptake of electric vehicles and reduce carbon emissions.

As such devolution will help Lancashire deliver improved productivity, health and wellbeing, air quality and net zero carbon policies - and support objectives for maintaining a safe and reliable transport network.

As set out in the recent Network North announcement:

- 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.
- The proposed CCA will receive a proportion of the £770 million of funding for Bus Service Improvement Plans in the North.
- The proposed CCA will receive a proportion of the £3.3 billion funding to fix potholes in the North.

Note: Under the terms of this Proposal, ownership and operation of Blackpool Transport Services Limited (BTS) and all associated assets, including the Bus and Tram fleet, will remain with BTS. BTS will remain as an arm's length company owned by Blackpool Council.

Blackpool Transport Service also provides vital bus services to Blackpool and the surrounding area. BTS will continue to deliver bus services locally.

## **Net Zero and Climate Change**

We will work across Lancashire to meet our low carbon ambitions, promote clean energy, and enhance our natural environment. Our ambition is that Lancashire becomes internationally recognised as a leader in the creation of 'green jobs', building upon our world class engineering and manufacturing capabilities.

Lancashire's Energy and Low Carbon sector is particularly important due to its existing ecosystem and capabilities in designing and manufacturing low carbon technologies. The area is forecast to have the highest number of jobs

per capita in the Energy and Low Carbon sector in England between 2030 – 2050. Government will work with the proposed CCA to enable the continued growth of this sector by supporting the delivery of Lancashire’s Energy and Low Carbon sector plans.

Lancashire partners have been successful in securing funding for natural carbon capture and storage projects including for woodland creation, peatland restoration and pioneering soil management techniques. The county’s Biological Heritage Site system of managing locally important wildlife sites has been strengthened to support the development and delivery of the Local Nature Recovery Strategy for Lancashire.

The Proposal will provide £2m<sup>7</sup> additional capital investment for the Cosy Homes in Lancashire domestic retrofit scheme to extend eligibility criteria and complement the current Home Upgrade Grant scheme. This investment will support a reduction in carbon emissions, better quality housing and improved health outcomes.

## Digital and Cyber

**We will work across Lancashire to continue to transform our digital infrastructure and knowledge-based sectors to balance and modernise our industrial base.**

Lancashire has continued the development of a Lancashire Infrastructure Plan and supported rollout of Openreach and Gigabit programmes, including establishing Superfast Atlantic connection with the North Atlantic Loop at Blackpool Enterprise Zone. This increased digital connectivity provides competitive advantages to attract more cutting-edge, tech-based industries.

Locating the National Cyber Force in Lancashire will attract significant investment and create over 2,000 new jobs. Lancashire CCA will work with the Department for Science, Innovation and Technology, to fully capture the investment, business, research, and skills benefits of this new location. These activities will create opportunities and new careers for residents, develop markets and technologies of local businesses and help to establish a North West Cyber Corridor.

The Proposal will provide £6m capital investment for a Low Carbon Data Demonstrator Centre at Blackpool Enterprise Zone . The project will provide new business space to support Lancashire’s low carbon and digital innovation ambitions.

<sup>7</sup> Subject to Business Case approval.

## Culture and Tourism

**We recognise the fundamental importance of our culture and tourism assets and will work with stakeholders across Lancashire to strengthen these. This work includes the creation a Local Visitor Economy Partnership for the region to help further develop the region’s visitor economy.**

Lancashire’s rich cultural and heritage offer has an important role in the proposed CCA’s plans to attract and retain skilled workers, and in contributing to ‘pride in place’ in the region. Tourism and the visitor economy are crucial industries for Lancashire, with the area amongst the UK’s most prolific visitor destinations every year. Blackpool is the nation’s Number 1 seaside resort, with some 20 million visits per year, and represents a £1.5bn visitor economy.

The proposed CCA will work with Government to hold a series of exploratory conversations to test the region’s appetite and capacity for partnership working across culture, heritage, sport, communities, and the visitor economy.

VisitEngland and the proposed CCA will work with the accredited Local Visitor Economy Partnership for the region to help further develop the region’s visitor economy. This collaborative work, across those areas set out in the Government’s Tourism Recovery Plan, could include harnessing the region’s potential to grow domestic and international visitor spend, and encouraging visits throughout the year rather than just during the traditional tourist season.

## Housing and Land

**We will support the delivery of decent, affordable, and low carbon housing for every community. High quality housing will benefit existing residents, as well as attract and retain the people required to drive the economy over the long term.**

Housing is a crucial issue for Lancashire. We need more and better housing to help support a return to growth in our working-age population and economic growth more widely. We also need concerted action to tackle poor-quality housing across the county as this stock drives many of our worst socio-economic outcomes.

As a collaborative, Lancashire authorities have successfully delivered £22m Local Authority Green Home Grant providing home energy improvements to over 2,000 households through the Cosy Homes in Lancashire scheme. £41m has been secured from the Home Upgrade Grant to provide energy efficiency and low carbon heating measures over the next two years.

Blackpool Council have been a Levelling Up partner with Department for Levelling Up, Housing and Communities (DLUHC) since March 2022 and is now trialling policy changes in decent homes standards for the private rented sector and supported housing, and Blackburn with Darwen is also confirmed as one of 20 national Levelling Up Partnership areas.

Lancashire has a major development and infrastructure pipeline in excess of £22bn and a consistent understanding with regard to brownfield land opportunities and outputs including economic development, infrastructure, and housing. Lancashire has clear evidence of the blockages to development, infrastructure, and housing especially on brownfield land where issues such as ownership and contamination and/or buildings from previous uses can present a barrier to achieving outcomes.

The proposal would give Lancashire the ability to exercise compulsory purchase powers, to help drive regeneration and build more affordable homes, boosting supply and bringing down the cost of newly built dwellings.

The Proposal supports our ambition to deliver a pipeline of strategic development sites and infrastructure opportunities faster and more strategically than would otherwise be the case.

## **Delivery**

**We will implement streamlined governance and decision-making arrangements with a strong business voice to address the big opportunities and challenges for Lancashire.**

This priority will allow the creation of a powerful CCA to drive growth in the North, empowered through strong leadership and effective governance.

To achieve this, our Proposal includes the integration of the Lancashire Local Enterprise Partnership with wider structures and the formation of a new Business Board. This change will help ensure there continues to be a strong and independent local business voice which informs local decision making and strategic economic planning. The model places a strengthened private sector voice at the heart of growth strategy development.

The governance model proposed (see section 5) builds upon existing structures and recognises the significant role of District Councils. The Proposal includes new arrangements for Transport and Skills and will enable partners to collaborate more effectively and focus on the big opportunities and challenges for Lancashire.

The proposal will see the integration of the Lancashire Enterprise Partnership investment team, Marketing Lancashire - the destination management organisation and the Growth Lancashire company, and existing powers to assemble land to unlock sites of significance to stimulate investment in Lancashire. The integration of the LEP and Business Board helps Lancashire choose its own economic path.

The plans proposed respond to national policy on levelling up and devolution including integration of LEP functions and roles into local democratic institutions to ensure a strong business voice at the heart of local decision making.

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We propose to use devolution to build upon Lancashire's substantial strengths in delivering benefits for its residents.

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## Our Principles

Our Proposal is based upon the four principles for levelling up set out in the Levelling Up White Paper:

Principle one: **Effective leadership** with a revised governance model across the CCA Area.

Principle two: **Sensible geography** - the CCA Area covered by this Proposal has a clear functional economic geography as identified in the Lancashire Independent Economic Review (2021).

Principle three: **Flexibility** - the Proposal recognises the unique needs and ambitions of the CCA Area in its governance and programme.

Principle four: **Appropriate accountability** – the Constituent Councils have committed to developing a Constitution and Assurance Framework that will confirm, clarify, and formalise the intention of institutions and local leaders to continue to be transparent and accountable, work closely with local businesses, seek the best value for taxpayers' money and maintain strong ethical standards.



Our principles also include the local commitments established through the Lancashire 2050 Strategic Framework:

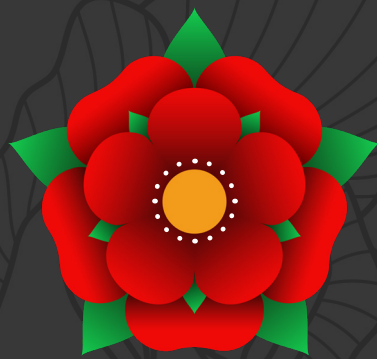
Principle five: **Work collaboratively** – we will work collaboratively on our collective priorities sharing ideas, assets, skills, and knowledge.

Principle six: **Cross-cutting themes** – we will ensure our commitments to diversity and inclusion, reducing inequalities, children and families, climate and improving quality of life are addressed through the CCA priorities, referred to above.

Principle seven: **Listening to residents** – we will be active listeners in building our plans for Lancashire. Everyone will be able to contribute to shaping our shared future.

Principle eight: **Being open and transparent** – we will ensure decisions are made democratically and transparently, so residents can easily understand progress against our priorities.

A major advantage of the CCA model is its capacity for joint governance arrangements across key growth levers such as transport, skills, economic development and regeneration, which allows for more integrated policy development and better strategic prioritisation.



# 4. DELIVERING OUR AMBITIONS

Work is currently underway to define the intended operating and delivery arrangements for the proposed CCA. The proposed CCA would build upon existing structures and expertise to deliver the ambitions set out above.

Lancashire local authorities have a long history of joint working to deliver projects and services for the whole county. This joint work has included extensive engagement with public, private, and voluntary sectors and communities. Since its launch in 2022, this joint working has been enhanced through the Lancashire 2050 Strategic Framework (L2050) and the formation of eight theme groups (shown below).



**Figure 4 - Diagram of Lancashire 2050 Priority Theme Groups established in 2022**

Once established, the proposed CCA would build upon the L2050 theme groups to develop a pipeline of key priorities and projects. The projects are intended to be underpinned by the priorities of the proposed CCA and actioned through the powers and functions sought as part of the Proposal.

We recognise that Lancashire is a diverse place and the proposed CCA will deliver our shared vision and outcomes via targeted investment and support that acknowledges our geographic differences and similarities. The needs of Lancashire and the projects to address these needs are not all area-wide.

Some priorities may be focussed on our urban and suburban areas and/or our market towns, and/or our rural areas, recognising that new investment should be able to deliver regional wide benefits. The work of the proposed CCA would be informed by a Lancashire Data Observatory that is an alliance of local authorities, industry experts and academic researchers delivering sub-regional research and analysis.

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Lancashire local authorities have a long history of joint working to deliver projects and services for the whole county.

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## Social Value

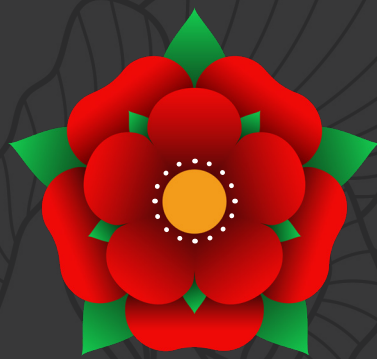
The Proposal provides an opportunity for Lancashire to expand its leading work around generating social value. The proposed CCA would support the development of a Lancashire wide Social Value Framework in delivering devolution.

The Lancashire Enterprise Partnership has been a leading area of the country in realising social value<sup>9</sup> through its investment spend. Lancashire Enterprise Partnership successfully embedded social value within their key infrastructure investment programmes through the adoption of a LEP wide Social Value Framework. The framework utilises the National Themes Outcomes and Measures to embed social value within the procurement, monitoring and evaluation of projects across the LEP's project and programme portfolio including the Growth Deal, City Deal, and Boost business support programmes.

The impact of this approach can be seen at programme and project level. The £320m Lancashire Growth Deal programme generated a total of £56.9m of added benefits from social value, including for example, 638 Apprenticeships and 338 work placement weeks for unemployed residents.

<sup>9</sup> Social Value is the additional economic, social and environmental benefits that can be created when an organisation purchases a service from an outside organisation, above and beyond the value of the goods or services.





# 5. GOVERNANCE

The Constituent Councils have proposed a governance structure for the proposed CCA which is true to the principles of the Levelling Up and Regeneration Bill, and which would secure effective and convenient local government for the proposed CCA Area.

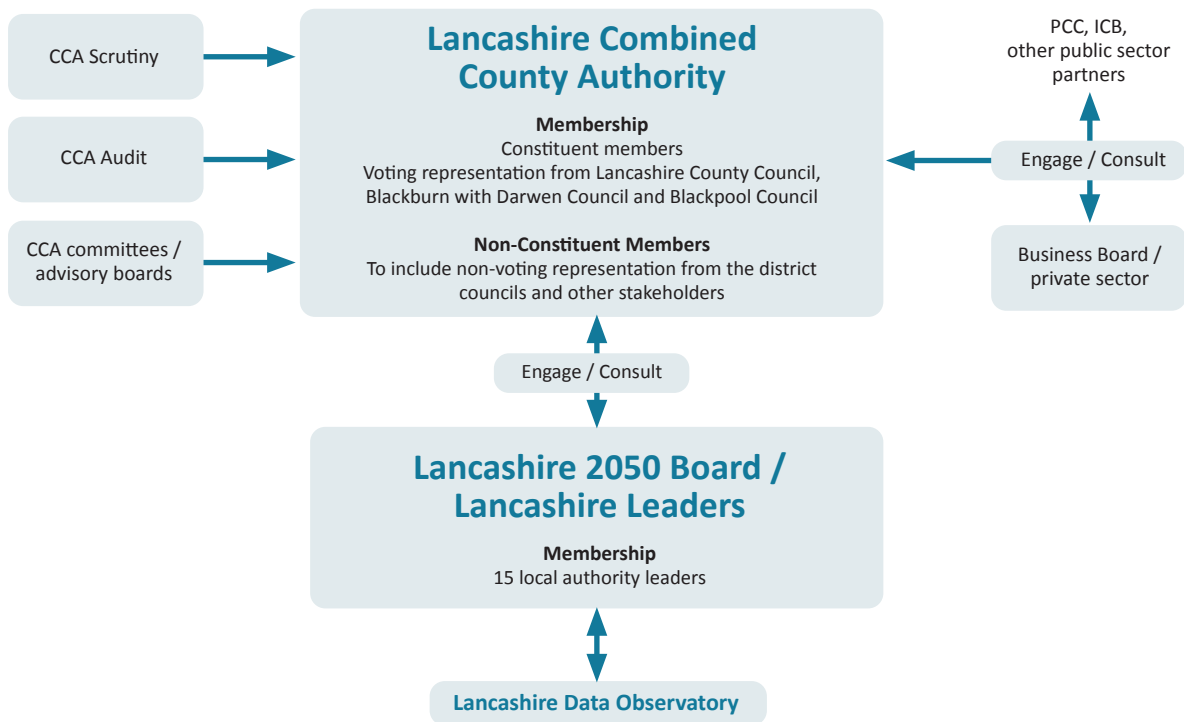


Figure 5 - Diagram of proposed CCA governance model

## Name and Area

The proposed CCA would be formally known as the Lancashire Combined County Authority. It would cover the geographical areas of the Lancashire County, Blackburn with Darwen and Blackpool Councils, which together would form the Constituent Councils of the proposed CCA.

## Membership of the CCA

The proposed CCA would have up to eight Members in total, comprising:

- Four Constituent Members (Members appointed by the Constituent Councils, with Lancashire County Council appointing two members and Blackburn with Darwen and Blackpool Councils appointing one each)
- Two Non-Constituent Members nominated by the District Councils within the area
- Up to two further Non-Constituent or Associate Members, to be appointed by the CCA

The four constituent members would have full voting rights. 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.

## District Councils

There are 12 District Councils within the proposed CCA Area. The Districts would be invited to nominate two individuals to represent their interests on the proposed CCA as non-constituent members

The Constituent Councils have worked with the District Councils to agree a system of nominations. It has been agreed that nominations would be made by the Lancashire District Council Leaders Forum, on the basis that that Forum operates with the unanimous support of the District Councils in Lancashire. This arrangement would be regularly reviewed to ensure that all District Councils, as well as the proposed CCA, remain content that the district voice is properly reflected in the proposed CCA.

The same appointment arrangements would also be used for the District Councils to nominate additional individuals as substitutes and representatives on the Overview and Scrutiny Committee, and Audit Committee, who may come from different Councils than the nominated Non-Constituent Members.

The inclusion of a mechanism by which the District Councils can have a key role on the proposed CCA ensures that the identities and interests of all our local communities would be fully represented on the proposed CCA.

## Business Interests

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.



This function of the Lancashire LEP will be integrated into the proposed CCA, through the creation of a Business Board.

The Business Board would not be a formal committee of the proposed CCA, but it would be part of the formal governance arrangements and would exist to provide advice to the proposed CCA on all issues of business and economy relevant to the proposed CCA. The proposed CCA would then appoint the Chair of the Business Board to the proposed CCA as an Associate Member representing the views of business on the proposed CCA.

## **Resilience and Public Safety**

The proposed CCA, in partnership with Government, 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.

## **Other Memberships**

There would be one remaining potential space for a further member, either as a “non-constituent” or “associate” member. This would be determined by the proposed CCA itself.

## **CCA Functions**

The functions of the proposed CCA will be exercisable by the proposed CCA. On day one these will include:

- The duty to set a budget for the proposed CCA
- Duty to prepare an economic assessment of the proposed CCA Area
- Compulsory purchase, land acquisition and disposal and development of land powers (the exercise of compulsory purchase functions is subject to the consent of all the local planning authorities affected)
- Consideration of whether to seek the power to borrow and to explore the extent of those powers
- Housing supply and regeneration functions
- Duty to review air quality plans and propose and undertake steps to support the delivery of those plans by Districts Councils in the proposed CCA Area, and,
- Incidental powers in relation to its functions (the power to do anything which is incidental to the exercise of its functions).

In addition, the CCA will have functions relating to transport.

More detail is given in the table of powers at Appendix 1.

## CCA decision making

The Members of the proposed CCA would be the main decision-making group of the proposed CCA. The proposed CCA will have the power to establish sub-committees to exercise CCA functions.

## CCA voting

The proposed CCA would prescribe voting requirements in its Constitution, but the following principles are intended to be applied:

Proposals for decisions by the proposed CCA may be put forward by any constituent member. All constituent members would have one vote. Constituent members would work towards the principle of unanimity of all key decisions. Other questions that are to be decided by the proposed 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 would include:

- Approval of the proposed CCA's budget, including significant financial decisions
- 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)
  - Appointment of the Chief Executive
  - Approval of and significant amendments to the Constitution.

The following decisions would require the consent of the Lead/Executive member of the relevant Constituent Council, or substitute members acting in their place, in whose area the decision will apply:

- Compulsory purchase of land or buildings by the proposed CCA
- The exercise of compulsory purchase power will also require the consent of the relevant planning authority
- Any decision by the proposed CCA that could lead to a financial liability falling directly upon that constituent council, or significant material impact on Blackpool Transport Services Ltd
- Such other matters as may be contained within the proposed CCA's constitution.

The constituent councils recognise the importance of local consensus in relation to matters that could impact companies wholly owned by those councils, and they have resolved to require Blackpool Council's consent for any decision which may have a significant, material and direct impact on Blackpool Transport Services Ltd.

## Advisory Boards

The proposed CCA may choose to establish advisory boards. Advisory boards are formally constituted boards which would form part of the operation of the proposed CCA, but which have no decision-making power.

Advisory Boards may be formed if required to support the business of the proposed CCA. Membership of Advisory Boards would reflect the role and purpose of the Board, including members from outside the Constituent Councils as required to ensure the relevant expertise is available.

The role of any Advisory Boards established would be to advise the proposed CCA on the exercise of functions in their areas of expertise.

## Members Allowances

The statutory instrument (SI) which may create the proposed CCA will set out the position on members allowances. DLUHC have indicated that the SI will provide that allowances will be payable as follows:

- Members of committees/sub-committees who are not elected members of a Constituent Council may be paid an allowance, the amount to be recommended by an independent remuneration panel
- Members of Overview and Scrutiny Committees and/or Audit Committee (whether or not also elected members of a Constituent Council) may also be paid an allowance, the amount to be recommended by an independent remuneration panel and,
- Otherwise, members may only be paid allowances for travel and subsistence, paid in accordance with the proposed CCA's published policy.

## Overview and Scrutiny Committee

The proposed CCA would be required to have at least one Overview and Scrutiny Committee.

The role of the Overview and Scrutiny Committee is to monitor the decision making of the CCA to ensure that the decision making is appropriately focussed on community needs, and that high quality delivery is taking place for the benefit of the proposed CCA Area.

In accordance with the Levelling Up and Regeneration Act 2023 and given the role of the Committee, its membership must involve different individuals than those who are Members of the proposed CCA. However, the proposed CCA would intend to ensure that the District Councils would be represented on the Overview and Scrutiny Committee and would consider how and whether to represent any additional Non-Constituent and Associate Members on the Committee.

Practically this means that at least one member of the Overview and Scrutiny Committee would be nominated from each Constituent Council of the proposed CCA. At least two members are intended to be nominated by the District Councils. Any members of the Committee not drawn from the Constituent Councils would not automatically have voting rights on the Committee.

There is intended to be a requirement for political balance on the Committee which would reflect the political balance of the CCA Area (which in this context means to reflect the voting in respect of the Constituent Councils but taken across the whole CCA Area).

The Chair of the Overview and Scrutiny Committee would be an independent person – i.e. not a member of the Constituent Councils or District Councils in Lancashire. The Independent Chair of Overview and Scrutiny would be appointed by the proposed CCA through an open recruitment process.

## **Audit Committee**

The proposed CCA would be required to have an Audit Committee. The role of the Audit Committee is to support and monitor the authority in the areas of governance, risk management, external audit, internal audit, financial reporting, and other related areas to ensure that the financial and governance decision making position of the proposed CCA is sound.

As with the Overview and Scrutiny Committee, this means that at least one member of the Audit Committee would be nominated from each Constituent Council of the proposed CCA. At least one member would be nominated by the District Councils. Any members of the Committee not drawn from the Constituent Councils would not automatically have voting rights on the Committee.

There would be a requirement for political balance on the Committee which will reflect the political balance of the proposed CCA Area (which in this context means to reflect the voting in respect of the Constituent Councils but taken across the whole CCA Area).

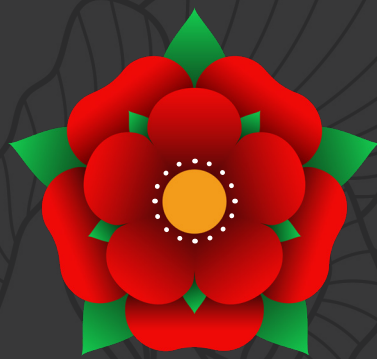
There is a requirement for the Chair of the Audit Committee to be an independent person, who is not otherwise involved in the proposed CCA. Again, the Levelling Up and Regeneration Act 2023 requires that members of the Audit Committee must not be the same individuals as those representatives who are members of the proposed CCA.

The proposed CCA will ensure that the Audit Committee has the right people to ensure effective oversight of the adequacy of the proposed CCA's overall assurance arrangements, and scrutiny of financial decision making by the proposed CCA.

## Funding of the CCA

If the decision is taken by the Secretary of State to establish the proposed CCA then the Establishment Order will indicate that the proposed CCA will be funded by the three Constituent Councils. Funding has been secured as part of the deal from central Government to cover the financial years 2023/4 and 2024/5. In addition, the proposed CCA would consider whether to seek the power to borrow and explore the extent of these powers. In practice it is expected that the running costs of the proposed CCA will be met by either continued central Government support or with funding from the Constituent Councils. The proposed CCA will not have the power to raise a precept. That means it will not be able raise money through increasing Council Tax.

The general powers the proposed CCA is intended to have around finance and funding are expected to be substantially the same as local authorities enjoy generally.



# 6. CONSULTATION

To gain feedback on the Proposal and to inform the decision as to whether to proceed to advance the Proposal (with any potential amendments) to the Secretary of State, an eight-week consultation is planned to be undertaken between 1 December 2023 and 26 January 2024.

The consultation methods will include:

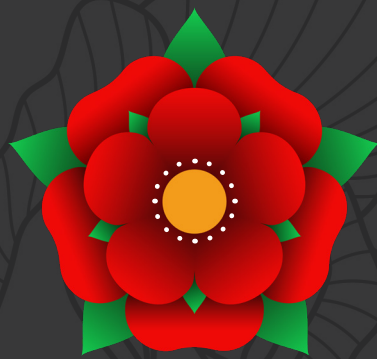
- an online survey with alternative options provided on request to meet the needs of participants (translations, paper copies and easy-read versions)
- stakeholder engagement with businesses, the voluntary sector, and other stakeholders identified
- events to engage residents and stakeholders of the proposed CCA Area.

Active steps will be taken to encourage participation and to ensure that the consultation is accessible to all (including, for example, the digitally disadvantaged, those with protected characteristics and high intensity users of affected services). An equality impact assessment has been completed to inform engagement undertaken by Constituent Councils.

A detailed plan of communications will be created with support from each Constituent Council to identify the best method of promoting the consultation in their local areas, including a list of frequently asked questions (FAQs).

A Data Protection Impact Assessment will be undertaken to assist the Constituent Councils in ensuring that data shared and collected through the consultation process is held, processed and stored correctly, and for no longer than is necessary.

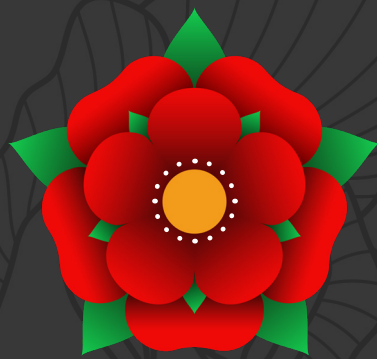
Findings from the consultation will be analysed and published in March 2024. These will support consideration of the Proposal by each Constituent Council.





# 7. THE DEAL

The Lancashire Devolution Deal can be viewed here:  
[www.gov.uk/government/publications/lancashire-devolution-deal](http://www.gov.uk/government/publications/lancashire-devolution-deal)



# 8. NEXT STEPS (TRANSITION)

The transition to a formal CCA in Autumn 2024 is planned to be in three stages:

- **Stage 1: Establishing transition arrangements – Autumn 2023 to Spring 2024**
- **Stage 2: Working as a shadow organisation – Spring 2024 to Autumn 2024**
- **Stage 3: Formal establishment of the CCA – Autumn 2024 onwards**

It is important to note that transition to the proposed CCA is dependent on a number of factors: this Proposal being accepted as a result of public consultation; this Proposal then being accepted by Government; and the approval by Parliament of the necessary secondary legislation implementing the Proposal. Importantly we would not propose to move into 'shadow' mode until the outcome of the consultation was known and all parties agreed to progress advancing the Proposal for the establishment of a CCA to the Secretary of State for consideration.

## **Stage 1: Establishing transition arrangements – Autumn 2023 – Spring 2024**

The three Constituent Councils will work closely together in this Stage to oversee consultation and engagement, consider any amendments to the Proposal in light of the outcome of the consultation and prior to potential submission to the Secretary of State, take a decision as to whether to submit a proposal to the Secretary of State following consultation, and plan for the potential establishment of the proposed CCA. If it is decided to submit a proposal, then this stage will involve:

- ensuring collaborative leadership from Leaders of Constituent Councils to enable decisions to be made
- consolidating a programme team to operate as the 'engine' of the shadow CCA – drawing on staff from Constituent Councils, other stakeholders, and professional advisors
- defining a resource plan so that individual authorities can take decisions about their financial and time commitments
- developing an engagement plan to ensure that key partners, including District Councils and the business community are involved in the development activity
- putting in place the necessary arrangements to begin developing plans for priority areas such as transport, skills, and employment

- starting to consider the practical arrangements for shadow and combined authority working and decision making, including the role of districts and the Lancashire Leaders forum.

In this and subsequent stages, the relationship between the future CCA and existing local authorities (and other stakeholders) will be developed to ensure effective and constructive governance.

## **Stage 2: Working as a shadow organisation - Spring 2024 to Autumn 2024**

In this stage, the focus will be on working as a shadow organisation and making preparations for the formal CCA. It is important to note that this shadow organisation will not be a new legal entity and therefore any activities (such as employing people or financial accountability) will be done by the existing local authorities. Functions at this stage will involve:

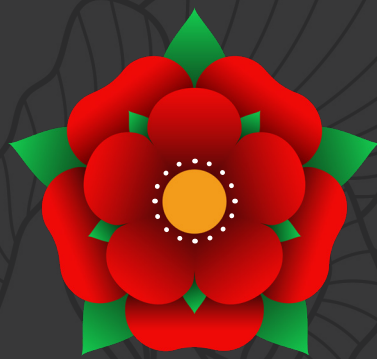
- preparing functional plans ready for the formal CCA to pick up if it is established
- designing and confirming important aspects of the formal CCA, such as the future management structure and resources to enable delivery of the objectives
- developing and designing a constitution for the CCA to ensure effective governance arrangements
- planning the integration of the functions of the LEP into the CCA, ensuring it is ready for delivering functional responsibilities if the formal CCA is established.

## **Stage 3: Formal establishment of the CCA – Autumn 2024 onwards**

In this stage, which would follow the laying of the necessary Statutory Instrument, the constituent councils will begin to formally meet as a Combined County Authority, informed by the preparation and planning undertaken in the previous two stages. It will begin to deliver on the objectives and ambitions of this proposal:

- begin the process of appointment to Statutory Roles to manage the CCA's operations
- delivering on functional plans to begin delivering CCA responsibilities and achieving outcomes for the region
- scaling up the enabling competencies in order to allow the organisation to operate as required
- implementing the governance model for the CCA, including establishing the various committees
- continuing to enable the CCA to operationally evolve as is required.





# 9. LEGISLATION

Set out in the Appendix is a table of the powers which the Constituent Councils are proposing are available to the proposed CCA. The powers are those which the Constituent Councils believe are needed to enable the proposed CCA to deliver the purposes outlined in this Proposal.

In considering our Proposal, the Government, and in particular, specialist legislative counsel, will review the table below and some of the detail set out may be required to change as a consequence of the drafting of establishment orders, and other consequential amendments to existing powers for combined authorities.

The scope of powers to be available, and the broad terms of the exercise of those powers are unlikely to change, and, in any event, the powers will not go beyond the scope set out in the governance section of this Proposal.

In particular it should be noted that discussions are ongoing with the Department for Transport in relation to certain transport functions, in particular the necessity for concurrent exercise of specified functions. The Appendix therefore sets out the intended position in relation to these powers, but this may be subject to change as a result of these ongoing discussions.

# REFERENCES

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- <sup>ii</sup> Regional Gross Value Added (Balanced) by Industry: City and Enterprise Regions, 2021, Office for National Statistics (ONS) © Crown Copyright
- <sup>iii</sup> ONS: 2011 Census: Origin-destination (flow) data
- <sup>iv</sup> Road lengths in Great Britain: 2022, Department for Transport
- <sup>v</sup> Office of Rail and Road: Estimates of Station Usage 2021-2022
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- <sup>vii</sup> Lancashire Economic Strategy 2023 – 2025, Lancashire County Council, <https://www.lancashire.gov.uk/media/940760/economic-strategy.pdf>
- <sup>viii</sup> Annual Population Survey, 2023, ONS (Nomis)© Crown Copyright
- <sup>ix</sup> UK Business Counts, 2022, ONS (Nomis), © Crown Copyright
- <sup>x</sup> Regional Gross Value Added (Balanced) by Industry: City and Enterprise Regions, 2021, Office for National Statistics (ONS) © Crown Copyright
- <sup>xi</sup> Lancashire Skills and Employment Hub: Food and Agriculture Study, July 2022: <https://www.lancshireskillshub.co.uk/wp-content/uploads/2022/10/Lancashire-Food-Agriculture-LMI-study-Final-Report-2022.pdf>
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- <sup>xiv</sup> ONS: Business Register and Employment Survey, BRES, NOMIS
- <sup>xv</sup> Regional Gross Value Added (Balanced) by Industry: Local Authorities by International Territorial Level (ITL) 1 region: TLD North West, 2023, ONS © Crown Copyright
- <sup>xvi</sup> Lancashire LEP Analysis of 2018/19 - 2020/21 Higher Education Statistics Authority (HESA) Graduate Outcomes Survey
- <sup>xvii</sup> ONS: Annual Population Survey, 2023
- <sup>xviii</sup> Housing need sourced from the Planning Authorities or their current Local Plans, Lancashire LIER Infrastructure in Lancashire 2021, and <https://lichfields.uk/grow-renew-protect-planning-for-the-future/how-many-homes-the-new-standard-met>
- <sup>xix</sup> Table 253: permanent dwellings started and completed, by tenure and district, Department for Levelling Up, Housing and Communities, © Crown Copyright
- <sup>xx</sup> ONS: House price (existing dwellings) to workplace-based earnings ratio, 2023
- <sup>xxi</sup> House price (newly built dwellings) to workplace-based earnings ratio, ONS, 2023
- <sup>xxii</sup> ONS: Experimental regional gross fixed capital formation (GFCF) estimates by asset type, 2022
- <sup>xxiii</sup> Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions, Current Price (Smoothed) Gross Value Added (Balanced) Per Hour Worked, Indices 2004-2021. ONS, 2023 © Crown Copyright
- <sup>xxiv</sup> Regional gross value added (balanced) by industry: city and enterprise regions, 2021, ONS © Crown Copyright



<sup>xxv</sup> Tracking Local Employment in the Green Economy: The Place-based Climate Action Network Just Transition Jobs Tracker, PCAN

<sup>xxvi</sup> Lancashire Independent Economic Review: Infrastructure in Lancashire, 2021. Link: [https://www.lancashireier.org/wp-content/uploads/2021/12/LIER\\_Infrastructure\\_In\\_Lancashire\\_2021\\_v1.pdf](https://www.lancashireier.org/wp-content/uploads/2021/12/LIER_Infrastructure_In_Lancashire_2021_v1.pdf)

<sup>xxvii</sup> Annual Survey of Hours and Earnings 2022, ONS (Nomis) © Crown Copyright

<sup>xxviii</sup> Annual Survey of Hours and Earnings 2022, ONS (Nomis) © Crown Copyright

<sup>xxix</sup> Annual Population Survey, Jul 2022-Jun 2023, ONS (Nomis) © Crown Copyright

<sup>xxx</sup> Subregional productivity, Current Price (smoothed) GVA per hour worked, 2004-2021, ONS © Crown Copyright

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<sup>xxxiii</sup> English Indices of Deprivation, 2019, The Department for Levelling Up, Housing and Communities, © Crown Copyright

<sup>xxxiv</sup> PHE Fingertips Dashboard, Office for Health Improvement and Disparities, Life Expectancy at Birth 2018-2020, © Crown Copyright

<sup>xxxv</sup> Annual Population Survey – Jun 2022 to Jul 2023. ONS, Accessed via NOMIS

<sup>xxxvi</sup> Department for Education, Average Attainment 8 Score of all pupils. Key stage 4 performance: Local Authority Data, 2022/23

<sup>xxxvii</sup> Department for Education, Average Attainment 8 Score of all pupils. Key stage 4 performance: Local authority district and region of school location data by FSM and disadvantage status, 2022/23

<sup>xxxviii</sup> Early Years Foundation Stage Profile results, 2021-22, Department for Education © Crown Copyright

<sup>xxxix</sup> TS067 - Highest level of qualification, Census 2021, ONS (Nomis) © Crown Copyright

<sup>xi</sup> TS067 - Highest level of qualification, Census 2021, ONS (Nomis) © Crown Copyright

## DEFINED TERMS

**CCA** - Combined County Authority.

**Constituent Councils** - Lancashire County Council, Blackburn with Darwen Council and Blackpool Council.

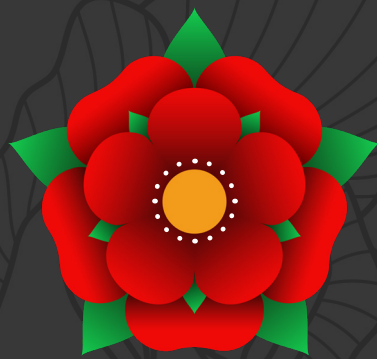
**Functional Economic Area** - FEA - areas that share several similar economic factors with boundaries that ideally reflect the drivers of the local economy.

**GVA** - Gross Value Added – this is the measure of the value of goods and services produced in an area, industry, or sector of an economy.

**Local Enterprise Partnerships (LEPs)** - Partnerships between local authorities and businesses to help determine local economic priorities and undertake activities to drive economic growth and create local jobs.

**The Area** - The Area covered by the proposed Lancashire Combined County Authority.

**Statutory Instrument (SI)** - Statutory instruments are the most common form of secondary (or delegated) legislation.



# APPENDIX A: TABLE OF POWERS/ FUNCTIONS

Set out below is a table of the powers which the Constituent Councils are proposing are available to the CCA. The powers are those which the Constituent Councils believe are needed to enable the CCA to deliver the purposes outlined in this proposal. In considering our proposal the Government, and in particular, specialist legislative counsel, will review the table below and some of the detail set out may be required to change as a consequence of enactment of the Levelling-up and Regeneration Act, the drafting of establishment orders, and other consequential amendments to existing powers for combined authorities. The scope of powers to be available, and the broad terms of the exercise of those powers are unlikely to change; and in any event, the powers will not go beyond the scope set out in the governance section of this proposal, and the Devolution Deal.

## Finance, Investment, Innovation and Trade

Legislative Provisions	From	Concurrent exercise?	Consent	Voting
Local Democracy, Economic Development and Construction Act 2009 Section 69	Upper tier councils	Yes	No, but requirement to consult and seek the participation of the district/ boroughs.	Unanimous vote
Crime and Disorder Act 1998 Section 17A	Upper tier councils	Yes	No	Simple majority
Local Government Act 1972 Sections 113, 142(2), 144, 145 and 222	All LAs	No (but LAs do not lose powers)	No	Simple majority
Local Government Act 1985 Section 88	All LAs	No	No	Simple majority

## Finance, Investment, Innovation and Trade (cont.)

Legislative Provisions	From	Concurrent exercise?	Consent	Voting
Local Government and Housing Act 1989 Section 13	Applies to all powers conferred on any relevant authority by s102(1) of the Local Government Act 1972	N/a – this relates to voting rights rather than exercise of powers	No	N/a – no voting
Local Government Pension Scheme Regulations 2013	N/a – provision for pension arrangements	No – administering authority is Lancashire County Council	No	N/a – no voting
Local Government Act 2003 Section 31	Minister	Yes	Where exercise of power will result in financial liability of a constituent council, that constituent council must consent.  Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent.  Where exercise of a power may have a significant, material, and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent.	Simple majority

## Skills and Education

Legislative Provisions	From	Concurrent exercise?	Consent	Voting
Apprenticeships, Skills, Children and Learning Act 2009  Sections 86 and 87, 88, 90 and 100(1)	Secretary of State functions	Section 86, 87 and 88 are transferred  Sections 90 and 100(1) are exercised concurrently with Secretary of State	None specified	Simple majority
Education Act 1996  Sections 13A , 15ZA, 15ZB and 15ZC	Upper tier councils	Yes	None specified	Simple majority
Education and Skills Act 2008  Sections 10, 12, 68, 70, 71 and 75	Upper tier councils	Yes	None specified	Simple majority
Further and Higher Education Act 1992  Section 51A	Upper tier councils	Yes	None specified	Simple majority

## Housing and Planning

Legislative Provisions	From	Concurrent exercise?	Consent	Voting
Town and Country Planning Act 1990  Sections 226, 227, 229, 230(1)(a), 232, 233, 235, 236, 238, 239, 241	LPA (Local Planning Authority) powers	Yes	Section 226 requires consent of lead member of CCA designated under paragraph 1(3) of schedule 1 whose area contains land subject to the acquisition, and of district councils in whose area the land subject to the acquisition is located.	Simple majority
Housing and Regeneration Act 2008  Sections 5, 6, 7, 8, 9, 10, 11, 12, paragraphs 19 and 20 of Schedule 3 and paragraphs 1, 2, 3, 4, 6, 10 and 20 of Schedule 4	Homes England powers	Yes	Section 9(2) requires consent of <ul style="list-style-type: none"> <li>• Lead member of CCA designated by constituent council whose local government area contains any part of the relevant land;</li> <li>• Each district council whose area contains any part of the relevant land.</li> </ul> Where exercise results in financial liability falling on a constituent council, the consent of the lead member of that council is required.	Simple majority
Housing Act 1985  Sections 8(1), 11, 12, 17 and 18	City Council and District/ Borough powers	Yes	Section 17(3) requires consent of: <ul style="list-style-type: none"> <li>• Lead member of CCA designated by constituent council whose local government area containing the relevant land;</li> <li>• Each district council whose area contains any part of the relevant area</li> <li>• Where exercise of 17(3) results in financial liability falling on a constituent council, the consent of the lead member of that council is required</li> </ul>	Simple majority

## Transport

Discussions are ongoing between the Constituent Councils and the Department for Transport in relation to the necessity for the concurrent exercise of those functions and/or powers marked with a [\*]

Legislative Provisions	From	Concurrent exercise?	Consent required before exercise	Voting	When?
<b>Part 2 Transport Act 2000</b>					
Local transport plans and bus strategies (sections 108, 109 and 112) (sections 110 to 111 repealed)	A local transport authority or local transport authorities or a district council or a Passenger Transport Executive (as applicable)	The following are concurrent during the transition period: • 113C-123 • 123A-123X • 124-134B • 138A-143B • 151-162 Thereafter, the following are concurrent and continuing: • 134C – 138 • 145A to 150	In respect of all powers:  • Where exercise of power will result in financial liability of a constituent council, that constituent council must consent  • Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent  • Where exercise of a power may have a significant, material and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent  In addition, s123A-123X are only exercisable with the consent of the affected constituent council.	Unanimous for s108-113 Otherwise, simple Majority	From Establishment and on an ongoing basis
Bus services: advanced quality partnership schemes (sections 113C to 113O)					
Bus services: quality partnership schemes (sections 114 to 123)					
Bus services: franchising schemes (sections 123A to 123X)					
* Bus services: advanced ticketing schemes (sections 134C to 134G)					
* Bus services: ticketing schemes (sections 135 to 138)					
Bus services: enhanced partnership plans and schemes (sections 138A to 138S)					
Bus services: provision of information (section 139 to 141A)					
Bus services: miscellaneous (sections 142 to 143B)					
* Mandatory travel concessions for journeys not beginning on the London bus network (sections 145A to 150)					
Travel concessions in Greater London (Section 151)					
Financial and competition provisions (sections 152 to 159 (156 and 158 repealed))					
Supplementary (Section 160 to 162)					

## Transport (cont.)

Legislative Provisions	From	Concurrent exercise?	Consent required before exercise	Voting	When?
<b>Part 2 Transport Act 2000</b>					
Chapters 2 and 3 of Part 3 (Workplace parking levy, General and supplementary) and Workplace Parking Levy (England Regulations 2009)	Local Authority (charging authority which is the traffic authority (charging schemes can be made by a non-metropolitan local traffic authority (or jointly by more than one non-metropolitan local traffic authority), by an Integrated Transport Authority or combined authority and one or more eligible local traffic authorities, or the Secretary of State [or a strategic highways company]; a licencing authority or licencing authorities)	Concurrent and continuing	<p>Only exercisable with consent of the affected constituent council.</p> <p>Where exercise of power will result in financial liability of a constituent council, that constituent council must consent</p> <p>Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent</p> <p>Where exercise of a power may have a significant, material, and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent</p>	Simple majority	From Establishment and on an ongoing basis.



## Transport (cont.)

Legislative Provisions	From	Concurrent exercise?	Consent required before exercise	Voting	When?
<b>Highways Act 1980</b>					
Section 6 Highways Act 1980 (Delegation etc. of functions with respect to trunk roads etc)	Public Authority  Minister of Crown [or a strategic highway company]	With Constituent Councils	Only exercisable with the consent of the affected Constituent Council.  Where exercise of power will result in financial liability of a constituent council, that Constituent Council must consent  Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent  Where exercise of a power may have a significant, material, and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent	Simple majority voting but the agreement of the Constituent Council would be needed before vote	From Establishment and on an ongoing basis.
Sections 8 of the Highways Act 1980 (Agreements between local highway authorities [and strategic highways companies] for certain works)	Local Authority  Local highway authorities [and strategic highway companies]	With Constituent Councils	Only exercisable with the consent of the affected Constituent Council.  Where exercise of power will result in financial liability of a Constituent Council, that constituent council must consent  Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent  Where exercise of a power may have a significant, material, and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent	Simple majority voting but the agreement of the Constituent Council would be needed before vote	From Establishment and on an ongoing basis.

## Transport (cont.)

Legislative Provisions	From	Concurrent exercise?	Consent required before exercise	Voting	When?
<b>Part 4 Transport Act 1985</b>					
Passenger Transport Areas (section 57 to 62)	In a non-metropolitan county in England and Wales, the county council, a non-metropolitan district council in England, Passenger Transport Executive for any integrated transport area, council operating a bus undertaking, public transport company or its controlling authority, a Passenger Transport Executive or a council or local authority	The following sections are concurrent during the transition period: · S57 to 62 · S80 to 87	In respect of all powers: · Where exercise of power will result in financial liability of a constituent council, that constituent council must consent	Simple majority	From Establishment and on an ongoing basis
[* - in relation to sections 65 to 71 only]					
Passenger Transport in other areas (sections 63 to 71)		The following are concurrent and continuing · s63 and 64 · s65 to 71 · s72 to 79	· Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent		
Further Provisions (sections 72 to 79)			· Where exercise of a power may have a significant, material, and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent		
Miscellaneous (section 80 to 87)			In addition, s63-64 and 72-79 only exercisable with consent of affected constituent council		

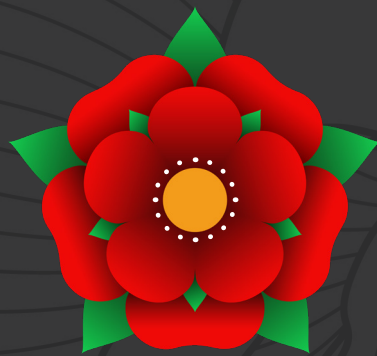
## Transport (cont.)

Legislative Provisions	From	Concurrent exercise?	Consent required before exercise	Voting	When?
<b>Part 5 Transport Act 1985</b>					
[* - in relation to section 88 only]  Expenditure on public passenger transport services (sections 88 to 92)	Any authority responsible for expenditure on public local transport, any local authority or any two or more local authorities acting jointly, Passenger Transport Executive, a county or district council operating any public passenger transport service, a parish council or community council, the Secretary of State	The following are concurrent and continuing <ul style="list-style-type: none"> <li>• s88 to 92</li> <li>• s93-101</li> <li>• s103-105</li> <li>• s106 and 106A</li> </ul>	In respect of all powers: <ul style="list-style-type: none"> <li>• Where exercise of power will result in financial liability of a constituent council, that constituent council must consent</li> <li>• Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent</li> <li>• Where exercise of a power may have a significant, material, and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent</li> </ul> In addition: <ul style="list-style-type: none"> <li>• during transition period s88 only exercisable with consent of constituent council and;</li> <li>• s93-101 only exercisable with consent of constituent councils</li> </ul>	Simple majority	From Establishment and on an ongoing basis
* Travel Concession Schemes (sections 93 to 101 (102 repealed))					
*Travel concessions apart from schemes (sections 103 to 105)					
Grants for transport facilities and services (sections 106 and 106A)					
Grants for services in rural areas (sections 108 to 109)					
Miscellaneous (sections 110 (111 repealed) and 112)					

## Transport (cont.)

Legislative Provisions	From	Concurrent exercise?	Consent required before exercise	Voting	When?
<b>Traffic Management Act 2004</b>					
Part 3 Permit Schemes Section 33 Section 33A Section 36	Local Highway Authorities	Concurrent and continuing	<p>Only exercisable with the consent of the affected Constituent Council(s).</p> <p>Where exercise of power will result in financial liability of a constituent council, that constituent council must consent</p> <p>Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent</p> <p>Where exercise of a power may have a significant, material, and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent</p>	Simple majority	From Establishment and on an ongoing basis
Part 6 (Civil Enforcement of Traffic Contraventions) and paragraph 10 (designation of civil enforcement areas for moving traffic contraventions) of Schedule 8 (civil enforcement areas and enforcement authorities outside Greater London)	Enforcement Authority	Concurrent and continuing	<p>Only exercisable with the consent of the affected Constituent Council(s).</p> <p>Where exercise of power will result in financial liability of a constituent council, that constituent council must consent</p> <p>Where exercise of power will result in financial liability for Blackpool Transport Services Limited, Blackpool Borough Council must consent</p> <p>Where exercise of a power may have a significant, material, and direct impact on Blackpool Transport Services Ltd, Blackpool Borough Council must consent</p>	Simple majority	From Establishment and on an ongoing basis





## CONSULTATION QUESTIONS

**Please tell us whom the organisation or group represents and, where applicable, how you assembled the views of members.**

### **Section 1 – Innovation, Trade and Investment**

**We will work with local and national stakeholders to become a globally recognised and sustainable economy, distinguished by its quality of life, connectivity and access to opportunities.**

We will use the devolution process to refresh our strategic plans for economic prosperity. These plans will build upon our competitive advantages, exploit opportunities and develop new sectors capable of delivering long-term economic growth and creating high-value jobs. We believe the proposed CCA would enable Lancashire to produce better strategic cases for investment and gain a greater share of national resources.

The proposed CCA will plan and deliver the Lancashire area allocation of the UK Shared Prosperity Fund (UKSPF) from 2025/26. In spending this flexible funding pot, the proposed CCA will work closely with district council Leaders in an advisory capacity.

Devolution under the Proposal will provide £6 million capital investment to create an innovation hub of international excellence at Samlesbury Enterprise Zone. We believe the new centre will help stimulate the growth of new economic clusters to maximise the county-wide benefits of the £5 billion investment in National Cyber Force to be located in Lancashire.

The Proposal will also provide £6 million for the Blackburn Technology Innovation Quarter to create new business space to support the growth of Lancashire's digital, creative and cyber sectors.

Through the Proposal, Government departments will consider the potential for future relocations of Government roles to Lancashire as part of the Levelling Up agenda.

To support the proposed Lancashire CCA in its initial stages of devolution, the Government will provide £1 million of capacity funding.

Please find further details on the Proposal at [www.lancashiredevolution.co.uk](http://www.lancashiredevolution.co.uk) opens in new tab.

**To what extent do you agree or disagree with the proposal on innovation, trade and investment for the Lancashire Combined County Authority?**

*Please select one box only*

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

If you have any comments you would like to make around the delivery proposal, you will have the opportunity at the end of the questionnaire.

## **Section 2 – Skills**

**We will work collaboratively with employers, skills and training providers, local authorities and other stakeholders to support people to develop their skills throughout their lives and attract business to Lancashire because of our highly skilled workforce.**

In Lancashire's labour market, the estimated employment rate is below the national rate and has worsened since the pandemic. Lancashire's work force is also characterised by a lower proportion of residents with higher level qualifications.

The Proposal includes new powers to better shape local skills provisions to ensure these meet the needs of the local economy. This will include devolution of adult education, the core Adult Education Budget, and the opportunity to further refine the Local Skills Improvement Plan. Funding for Free Courses for Jobs will also be devolved and will be ring-fenced.



A strong, resilient and inclusive economy brings health benefits to its residents. As a combined authority, we believe Lancashire will be better placed to bid to become a pilot on national programmes that support individuals with health conditions to remain in the workplace.

Please find further details on the Proposal at [www.lancashiredevolution.co.uk](http://www.lancashiredevolution.co.uk) opens in new tab.

**To what extent do you agree or disagree with the proposal on skills for the Lancashire Combined County Authority?**

*Please select one box only*

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

If you have any comments you would like to make around the delivery proposal, you will have the opportunity at the end of the questionnaire.

### **Section 3 – Transport**

**We will work with transport providers inside and outside Lancashire to create better connected infrastructure that links opportunity to need and delivers travel choices that are safe, inclusive, affordable and low carbon.**

The Proposal will build on a successful track record of major transport investment, and a new Local Transport Plan will set the direction and priorities for highways and transport investment. This plan will work across the county to secure the benefits of connectivity to widen transport choices and support low carbon travel opportunities. Lancashire has significant plans for road, bus and rail schemes, and active travel projects that it is seeking to fund through devolution.

The Proposal includes new powers to improve and better integrate local transport, including the ability to develop the bus service improvement plan

(BSIP) partnership and strengthen coordination of local transport functions.

Blackpool Transport Services (BTS) will continue to operate tram services in Blackpool and the surrounding area and Blackpool Council will retain the relevant powers to manage BTS. Maintenance of tram infrastructure and assets will continue to be the responsibility of Blackpool Council in partnership with Lancashire County Council. BTS also provides vital bus services to Blackpool and the surrounding area. BTS will continue to deliver bus services locally.

The Proposal includes plans to improve public electric vehicle charging infrastructure to increase the uptake of electric vehicles and reduce carbon emissions.

As set out in a recent Network North announcement:

- 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
- The proposed CCA will receive a proportion of the £770 million of funding for Bus Service Improvement Plans in the North
- The proposed CCA will receive a proportion of the £3.3 billion funding to fix potholes in the North

We believe devolution will support Lancashire's objective of maintaining a safe and reliable transport network.

Please find further details on the Proposal at [www.lancashiredevolution.co.uk](http://www.lancashiredevolution.co.uk) opens in new tab.

**To what extent do you agree or disagree with the proposal on transport for the Lancashire Combined County Authority?**

*Please select one box only*

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

If you have any comments you would like to make around the delivery proposal, you will have the opportunity at the end of the questionnaire

## Section 4 – Net Zero and Climate Change

**We will work across Lancashire to meet our low carbon ambitions, promote clean energy, and enhance our natural environment. Our ambition is that Lancashire becomes internationally recognised as a leader in the creation of 'green jobs', building upon our world class engineering and manufacturing capabilities.**

Lancashire's energy and low carbon sector is particularly important due to its capabilities in designing and manufacturing low carbon technologies. The area is forecast to have the highest number of jobs per capita in the energy and low carbon sector in England between 2030 and 2050. Through the Proposal, if adopted, the Government will work with the proposed CCA to enable the continued growth of this sector by supporting the delivery of Lancashire's energy and low carbon sector plans.

Devolution would provide £2 million additional investment to extend eligibility criteria for the 'Cosy Homes in Lancashire' domestic retrofit scheme. We believe this investment will support a reduction in carbon emissions, better quality housing and improved health outcomes.

Please find further details on the Proposal at [www.lancashiredevolution.co.uk](http://www.lancashiredevolution.co.uk) opens in new tab.

**To what extent do you agree or disagree with the proposal on net zero and climate change for the Lancashire Combined County Authority?**

*Please select one box only*

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

If you have any comments you would like to make around the delivery proposal, you will have the opportunity at the end of the questionnaire

## Section 5 – Digital and Cyber

**We will work across Lancashire to continue to transform our digital infrastructure and knowledge-based sectors to balance and modernise our industrial base.**

Lancashire has continued the development of the Lancashire Infrastructure Plan and supported rollout of Openreach and gigabit programmes, including establishing Superfast Atlantic connection with the North Atlantic Loop at Blackpool Enterprise Zone. This increased digital connectivity provides competitive advantages to attract more cutting-edge, technology-based industries.

Locating the National Cyber Force in Lancashire will attract significant investment and create over 2,000 new jobs. The proposed Lancashire CCA will work with the Department for Science, Innovation and Technology, to fully capture the investment, business, research and skills benefits of this new location. These activities will create opportunities and new careers for residents, develop markets and technologies of local businesses and help to establish a North West Cyber Corridor.

Devolution under the Proposal would provide £6 million investment for a Low Carbon Data Demonstrator Centre at Blackpool Enterprise Zone. The project will provide new business space to support Lancashire's low carbon and digital innovation ambitions.

Please find further details on the Proposal at [www.lancashiredevolution.co.uk](http://www.lancashiredevolution.co.uk) opens in new tab.

**To what extent do you agree or disagree with the proposal on digital and cyber for the Lancashire Combined County Authority?**

*Please select one box only*

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

If you have any comments you would like to make around the delivery proposal, you will have the opportunity at the end of the questionnaire

## Section 6 – Culture and Tourism

**We recognise the fundamental importance of our culture and tourism assets and will work with stakeholders across Lancashire to strengthen these. This work includes the creation of a Local Visitor Economy Partnership for the region to help further develop the region’s visitor economy.**

Lancashire's rich heritage and culture has an important role in the area's plans to attract and retain skilled workers, and in contributing to 'pride in place' in the region. Tourism and the visitor economy are crucial industries for Lancashire, with the area amongst the UK’s most prolific visitor destinations every year. Blackpool is the nation's No1 seaside resort, with some 20 million visits per year, and represents a £1.5 billion visitor economy.

If the Proposal is adopted, Lancashire CCA could work with the government to hold a series of exploratory conversations to test the region’s appetite and capacity for partnership working across culture, heritage, sport, communities and the visitor economy.

Under the Proposal, VisitEngland and the Lancashire CCA would work with the accredited Local Visitor Economy Partnership to help further develop the region’s visitor economy. This collaborative work, across those areas set out in the Government’s Tourism Recovery Plan, could include harnessing the region’s potential to grow domestic and international visitor spend, and encouraging visits throughout the year rather than just during the traditional tourist season.

Please find further details on the Proposal at [www.lancashiredevolution.co.uk](http://www.lancashiredevolution.co.uk) opens in new tab.

**To what extent do you agree or disagree with the proposal on culture and tourism for the Lancashire Combined County Authority?**

*Please select one box only*

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

If you have any comments you would like to make around the delivery proposal, you will have the opportunity at the end of the questionnaire

## Section 7 – Housing and Land

**We will support the delivery of decent, affordable, and low carbon housing for every community. High quality housing will benefit existing residents, as well as attract and retain the people required to drive the economy over the long term.**

The proposal would give Lancashire the ability to exercise compulsory purchase powers (subject to the agreement of the Local Authority where the land is located) to help drive regeneration and build more affordable homes, boosting supply and bringing down the cost of newly built dwellings.

The Proposal supports our ambition to deliver a pipeline of strategic development sites and infrastructure opportunities faster and more strategically than would otherwise be the case.

Please find further details on the Proposal at [www.lancashiredevolution.co.uk](http://www.lancashiredevolution.co.uk) opens in new tab.

**To what extent do you agree or disagree with the proposal on housing and land for the Lancashire Combined County Authority?**

*Please select one box only*

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

## Section 8 – Delivering Our Ambitions

**We will implement streamlined management and decision-making arrangements with a strong business voice to address the big opportunities and challenges for Lancashire.**

In order that powers and funding are available, suitable management and

decision-making arrangements must be put in place. These arrangements provide the Government with assurance that funding will be spent appropriately, and statutory functions will be delivered effectively and efficiently.

We believe that this priority will allow the creation of a powerful CCA with strong leadership and effective governance to drive growth in Lancashire and across the north of England.

To achieve this, our proposals include the integration of the Lancashire Local Enterprise Partnership with wider structures and the formation of a new Business Board. This change will help ensure there continues to be a strong and independent local business voice that informs local decision-making and strategic economic planning. The model places a strengthened private sector voice at the heart of growth strategy development.

The governance model proposed would build upon existing structures and recognises the significant role for the 12 district councils (who would be able to nominate two representatives to the proposed CCA, potentially through the Lancashire District Council Leaders Forum). Our proposals also include new delivery arrangements for transport and skills to enable partners to collaborate more effectively and focus on the big opportunities and challenges for Lancashire.

Please find further details on the Proposal at [www.lancashiredevolution.co.uk](http://www.lancashiredevolution.co.uk) opens in new tab.

### **To what extent do you agree or disagree with the proposed delivery arrangements for the Lancashire Combined County Authority?**

*Please select one box only*

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

### **Your comments**

**If you have any comments you would like to make about the proposals**

**for the Lancashire Combined County Authority, please tell us using the space below.**



Date: 24 November 2023  
Our Ref:  
You Ref:

Hon Jacob Young MP  
Parliamentary Under Secretary of State  
(Department for Levelling up, Housing and Communities)  
House of Commons  
London  
SW1A 0AA

Via email – [jacob.young.mp@parliament.uk](mailto:jacob.young.mp@parliament.uk)

Dear Hon Jacob Young MP

### **Proposed Devolution in Lancashire**

We felt we should write to you following the Teams call of 30<sup>th</sup> October 2023 and the announcement in parliament on Wednesday 22 November of an upper-tier Devo deal for Lancashire, which we contend did nothing to assuage the concerns highlighted directly to you on that date regarding UKSPF funding, sovereignty of District Councils, the wider benefits of the funds earmarked for upper tier authority projects and a clear ambition for all of Lancashire.

We have observed the current process for developing a devolution deal for Lancashire with interest. As district councils representing over 900,000 residents, equivalent to circa 60% of Lancashire's population, we understand our communities and the issues that are a priority for them. We want to ensure that all local authorities take on responsibilities alongside clear accountability through any devolution deal to improve our local areas. Unfortunately, it does not appear that the current work to develop a devolution deal for Lancashire will deliver that.

The discussions between the upper tier local authorities and the government seem to have started at least in part as a result of the great work undertaken by all local authorities (County, Unitary & District) across the county to articulate our ambitions through our Lancashire 2050 framework. As district councils, we were excited to work together as a local government family to both demonstrate our collective ambition and to deliver success for the county.

Although we have been unable to directly see all the detail of the devolution deal (which we have instead been allowed to inspect by named individual representatives. Hardly a ringing endorsement of trust in us as Council Leaders!), from that detail which has been shared with us, it seems that the current deal does not articulate any clear benefits for the county and conversely risks creating disunity, sowing division and breaking up the Red Rose County. If the people of Lancashire are to support the transfer of powers and receipt of funding to a new body, the communities of our large and diverse county need to be able to understand and support the benefits that will be secured. These are self-evidently not apparent to us as their local democratic representatives and to other stakeholders we engage with. We therefore believe that this will also be evident to our residents in due course.

We know that devolution can represent an enormous opportunity to secure economic growth, prosperity and improved services. We know that all of Lancashire should and can play a stronger role in delivering economic growth, improved community health and a low

carbon future and are committed to playing our part. We aspire to attain a similar profile and status to that of our neighbouring authorities in Manchester and Merseyside where devolution is flourishing. It is therefore disappointing that we now feel we have to send this letter to you as we believe our residents risk being ill-served by the current proposals as outlined to us. We have raised our concerns to the upper tier authorities and whilst they have listened, they are either choosing not to alter course or are constrained by the requirements placed on them, presumably by your department.

We ask that you pause and review the devolution deal currently being developed for Lancashire to ensure that it will deliver real benefits for the county and that you provide assurance that any devolution deal and associated governance arrangements will only be implemented if and when they are supported by at the very least a simple majority of the communities across Lancashire.

In particular, we are very concerned that current plans regarding allocation of UKSPF funding are unclear at best and seem to point towards a withdrawal of funds from District areas to an unaccountable and inefficient County and Unitary Council model.

We would be delighted to meet with yourself, civil servants and the MP's who similarly represent our collective populations in order that if our understanding of the above is in any way incorrect, that you can provide suitable reassurance and specific evidence as to benefits for our areas, that we can then share further with our residents.

Yours sincerely


Leader – Preston City Council


Leader – Rossendale Borough Council


Leader – Lancaster City Council


Leader – Chorley Council


Leader – South Ribble Borough Council


Leader – West Lancashire Borough Council


Leader – Burnley Borough Council


Leader – Pendle Borough Council

cc Michael Gove - [michael.gove.mp@parliament.uk](mailto:michael.gove.mp@parliament.uk)