

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

- 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

- 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.
- That the Chief Executive be asked to share the council's response to the consultation with local MPs representing the borough.

### Reasons for recommendations

- 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

- 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

- 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.

## 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.

## **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.

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

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.

## Appendices

Appendix A: Lancashire Devolution Deal

Appendix B: Lancashire Devolution Proposals

Appendix C: Consultation questions

Appendix D: Letter to the government minister

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