



<b>REPORT OF:</b>	<b>LEADER</b>
<b>TO:</b>	<b>COUNCIL FORUM</b>
<b>ON:</b>	<b>16<sup>TH</sup> JULY 2020</b>

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## **LANCASHIRE COMBINED AUTHORITY**

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### **1. PURPOSE OF THE REPORT**

The purpose of this report is to update Council on the current position on devolution, combined authorities and the progress to form a Lancashire Combined Authority.

### **2. RECOMMENDATIONS**

It is recommended that:

- a) Council reconfirm their support for a Lancashire Combined Authority with a directly Elected Mayor.

### **3. BACKGROUND**

Lancashire Leaders submitted a request to the Government in June 2016 to form a Lancashire Combined Authority. However, due to a number of factors, including the EU referendum, the combined authority wasn't finalised.

A combined authority is a legal entity, created by Parliament. It enables a group of two or more councils to collaborate and take collective decisions across council boundaries. They can take advantage of powers, resources and funding delegated to them by the Government as part of a devolution deal. Partner authorities can also delegate powers to the combined authority. All councils within the geography of a combined authority must agree to be part of it. It cannot be imposed.

A combined authority does not provide every day council services such as libraries, children's services, schools, social care, household waste collection, parks, open spaces. The combined authority could be responsible for matters such as strategic and spatial planning, further/adult education, skills, strategic transport planning, and attracting significant funding into the area to support economic growth.

Constituent local authorities are usually represented on the Combined Authority by their Leader. Governance and decision making arrangements are agreed by the constituent authorities before a combined authority is established.

There are now 10 Combined Authorities across the country, eight of which have directly Elected Mayors, with Greater Manchester Combined Authority (GMCA) and Liverpool City Region Combined Authority our nearest neighbours, both with directly Elected Mayors. Of the existing Combined Authorities, there is only one within a two-tier area (Cambridge and Peterborough).

Prior to the Covid-19 pandemic, the existing Combined Authorities have negotiated and agreed with government a number of significant devolution deals. For example, GMCA and Liverpool City Region CA have agreed £900 million investment funds, consolidated transport budgets, responsibility for bus franchising, and CPO (Compulsory Purchase Order) powers. GMCA and the Cambridgeshire and Peterborough CA have also attracted significant grant funding for housing. GMCA already has funding arrangements for integrated health and social care and a number of other combined authorities are progressing this approach.

The Government have said that new funding, as part of our post-pandemic economic recovery, will be directed to areas with Combined Authorities, or business led Local Enterprise Partnerships (LEP) for those areas with no Combined Authorities. For Lancashire, funding would go to the Lancashire Enterprise Partnership.

#### **4. RATIONALE**

Over recent months, Lancashire Leaders have had positive discussions in relation to a Combined Authority. At their meeting on 10<sup>th</sup> June, Leaders agreed to explore a Combined Authority for Lancashire with an Elected Mayor, acknowledging that delivery of Local Government functions may need to be reviewed and simplified in the Combined Authority area as has been indicated by MHCLG.

A decision to establish a Lancashire Combined Authority would need consent of all of the local authorities covered by the area – in this case 15 councils.

Lancashire Leaders have agreed, in principle, to work with the Local Government Association, or other independent body, to undertake an options appraisal. If a business case is developed, a local consultation would be undertaken before submission and any final decision to join a Lancashire Combined Authority would be made by full Council.

Lancashire is comparable in size to other Combined Authorities and, if afforded a similar level of devolution, might attract almost £500 million investment fund over 30 years, £160 million housing investment. We could also attract direct funding for local colleges to provide skills that adults need to retrain and access jobs in a post-pandemic economy as well as responsibilities for devolved business support budgets, apprenticeship grants and the ability to shape Further Education.

The Government are keen to work with areas to develop Combined Authorities, ideally with elected Mayors, particularly as we re-start the economy. A number of other areas are already progressing proposals and engaging with ministers and civil servants. If Lancashire is to benefit from similar levels of devolution and powers that other areas have achieved, it must move at pace to engage with the Government.

Simon Clarke, Minister for Regional Growth and Local Government told LGA delegates in July that the Government will give the most generous deals, in terms of devolved powers and funding to those areas that have a Mayoral Combined Authority. He added that the Government feel this gives the strongest local democratic accountability.

The Government are due to publish their Devolution White Paper in Autumn and have said that this will set out further details on both combined authorities and local government re-organisation. 63% of the North's population is covered by Mayoral Combined Authorities, and they expect to see more unitary councils and more directly Elected Mayors coming forward.

The Minister has said that 300-400,000 population may be guidance in terms of the minimum for new unitary authorities. They are keen to optimise structures so that they are of sufficient size, but close enough to communities and be their local voice.

Based on the current local government arrangements, a Lancashire Combined Authority would have 15 Council Leaders and an Elected Mayor involved in decision making. This is much higher than the existing Combined Authorities which range in membership from 3 councils to 10 councils. Many decisions would also need unanimous agreement.

Feedback from civil servants suggests that this is too many and that the Government would be keen to see simplified local governance in areas such as Lancashire for the Combined Authority to be most effective. With 15 local authorities Lancashire has the largest number of councils in its area than anywhere else in the country.

Elected Members will be aware that the Leader of the Council and Opposition Leader jointly wrote a letter to the Secretary of State in October 2019, requesting an invitation to develop a business case for a new Pennine Lancashire unitary authority. The letter indicated that the area could cover the existing council areas of Blackburn with Darwen, Rossendale, Hyndburn, Burnley and Pendle. This area has a population of over 480,000 residents comprising 32% of the geographical county of Lancashire's whole population. It would not be a merger of any councils. Pennine Lancashire would be a brand new unitary authority and the electorate would determine who represents them and their areas on the new Council, in line with the current election arrangements.

A new Pennine Lancashire unitary authority would be responsible for all council services such as children's services, schools, adult social care, libraries, museums, household waste recycling centres, bin collection, leisure facilities, roads, parks, environmental health.

The Council Leader remains committed to work with Leader colleagues across Lancashire to achieve the best opportunities and outcomes for all residents and businesses.

## **5. POLICY IMPLICATIONS**

There are no policy implications at this stage.

## **6. FINANCIAL IMPLICATIONS**

At this stage, any financial implications will be managed within existing budgets. However, it's expected that a Combined Authority with a directly Elected Mayor will attract a significant devolution deal from the Government bringing additional funding into Lancashire.

## **7. LEGAL IMPLICATIONS**

There are no legal implications.

## **8. RESOURCE IMPLICATIONS**

Any resource implications will be managed within existing budgets.

## **9. EQUALITY IMPLICATIONS**

An Equality Impact Assessment is not needed at this stage.

## **10. CONSULTATIONS**

An open, public consultation exercise would take place as the Lancashire Combined Authority business case progressed and before any final submission to the Government.

### **Chief Officer/Member**

Background papers:	None
Contact Officer:	Denise Park, Chief Executive
Date:	8th July 2020