



REPORT OF: Leader of the Council
TO: Council Forum
ON: 14th March 2024

Devolution to Lancashire - Proposal to create the Lancashire Combined County Authority

1. PURPOSE OF THE REPORT

To seek approval of the Proposal to create the Lancashire Combined County Authority for the areas of Lancashire County Council, Blackpool Council and Blackburn with Darwen Council.

2. RECOMMENDATIONS

It is recommended that Council Forum agrees to:

- i. Consider the outcomes of the consultation on the draft Proposal published in November 2023, as set out in this report and its appendices;
- ii. Approve the updated Proposal (the Proposal) attached at Appendix 2 to this report, taking into consideration and having due regard to the consultation responses and the Public Sector Equality Duty, to create the Lancashire Combined County Authority (LCCA) for the areas of Lancashire County Council, Blackpool Council and Blackburn with Darwen Council;
- iii. Note how the Proposal has been amended to take account of the results of the Consultation, as set out in this report and in more detail within Appendix 2 (the Summary of the Consultation and the Constituent Councils' Response), Appendix 3 (Executive Summary of the Ipsos Consultation Report), and Appendix 4 (the Summary of Communications and Engagement Activity);
- iv. Delegate authority to the Chief Executive to submit the Proposal to the Secretary of State for Levelling Up, Housing and Communities (Secretary of State) after consultation with the Chief Executives of the other two constituent councils to confirm that all constituent councils approve the amended proposal for submission;
- v. Delegate authority to the Chief Executive to approve any typographical or technical amendments to the Proposal which the Chief Executives of the other two constituent councils also agree on, on behalf of Blackburn with Darwen Council, prior to submission; and
- vi. Consent to the making of the necessary Regulations to create the Lancashire Combined County Authority in accordance with the arrangements and principles set out in the report, and delegates to the Chief Executive, after consultation with the Leader of the Council, and subject to the approval of the other two Constituent Councils, final approval of the draft Regulations, subject to those regulations reflecting the principles agreed in the Proposal document and this report.

3. BACKGROUND

Devolution offers the opportunity for local areas, under certain conditions, to secure powers and funding devolved from Central Government. This allows the decisions in respect of those powers and funds to be made by local representatives much closer to the electorate and more informed about local issues. In November 2023, Lancashire County Council, Blackpool Council and Blackburn with Darwen Council (the 'Constituent Councils') each unanimously agreed to undertake statutory consultation on a proposal to establish the Lancashire Combined County Authority ('LCCA') across Lancashire, Blackpool and Blackburn with Darwen, in accordance with the provisions of the Levelling Up and Regeneration Act 2023 ("the Act"). This consultation ran for

a period of 8 weeks from 1 December 2023 to 26 January 2024.

To progress the area's devolution deal, under the legislation, the three Constituent Councils must submit to the Government a LCCA Proposal ('the Proposal') that takes into account the results of the consultation and thereby the views of residents and other stakeholders. It is important to note that the obligation on the Constituent Councils under the Act is to carry out a consultation "across the proposed area" and consider the results of that consultation. This is a requirement for each Constituent Council to consider all of the consultation responses not just those provided in their own area.

A summary of the key points raised in the consultation is set out below, and a full consideration of the consultation responses is set out at Appendix 1 and must be considered in full alongside the summary of the Ipsos Consultation Report at Appendix 3 in deciding how to proceed.

The Proposal has now been amended to take account of the outcomes of that consultation. The Proposal is attached at Appendix 2, and Council is now asked to give final approval to the Proposal and agree that it be formally submitted to the Secretary of State subject to the delegations set out above which are required to ensure submission can be made after all three Councils (which will form the Constituent Councils of the LCCA) have approved the Proposal. Agreeing to submit the Proposal at this meeting is key as otherwise it risks the timetable to establish the LCCA in the autumn of this year.

A report in substantively similar terms to this one is being presented to all three Constituent Councils.

4. Context

In February 2022, the Government published its White Paper on Levelling Up, a significant set of proposals which look to address geographical disparities in funding, productivity and growth across England. The Levelling Up and Regeneration Act received Royal Assent in October 2023 and paved the way for the creation of new Combined County Authorities.

Securing a devolution deal has been a long-standing ambition in Lancashire, Blackpool and Blackburn with Darwen. Devolution can deliver a range of strategic benefits for the LCCA area including helping to address years of historically low investment and providing a platform for accelerated growth.

The establishment of a LCCA would result in a significant step forward in the capacity and ability for the wider Lancashire area to lead on delivering improvements and investments in the LCCA area. The existing County, Unitary and District Councils in Lancashire will continue to operate, and the proposed LCCA would provide a single body for the whole area to champion its interests, deliver on local priorities and provide greater local accountability and decision-making powers, working in partnership with business and public service providers including District Councils. It would also bring in an initial £20m capital funding in the current Spending Review period to support innovation led growth and net zero ambitions across Lancashire. Evidence shows that combined authorities are just the start in a progressive programme to develop trusted partner status with Central Government, and secure further devolution opportunities for Lancashire.

Lancashire County Council, Blackpool Council and Blackburn with Darwen Council agreed to cooperate at pace on the negotiation of a new devolution deal that would cover their areas and was proposed to be delivered through establishment of a non-mayoral Combined County Authority.

A statement of intent to work towards a devolution deal was signed at Lancaster Castle on 26 November 2023. Following this agreement, a draft proposal document was developed and presented to each of the three Constituent Councils to approve as the basis for a consultation.

Through the work done to date on the proposed creation of a LCCA, the Constituent Councils

have enhanced their standing and status with a range of key organisations at both regional and Lancashire level. The Constituent Councils are now well positioned with Government and aim to build on this elevated status and relationship through successive deals.

5. Consultation

In November 2023¹ the Constituent Councils approved the draft Proposal and agreed to formally consult upon the draft Proposal with the residents and stakeholders.

The Constituent Councils subsequently undertook statutory consultation on the Proposal to establish the LCCA across the whole area. This consultation launched on 1st December 2023 and ran to 26th January 2024. The Constituent Councils designed the consultation questions, with Ipsos commissioned to analyse responses and to provide a report of feedback received. A summary of the Ipsos report is attached at Appendix 3. and should be considered in deciding how to proceed alongside the analysis at Appendix 2.

An online consultation portal was established by the Constituent Councils. It included a copy of the proposal document, a summary of the deal, what it would mean, the benefits and an explanation about how the proposed deal would build on the pre-existing strengths of the area.

The communications strategy for the Consultation focused on driving visitors to the website and engaging through in-person events across the proposed Combined County Authority area. Communication channels included media releases, social media activity, newsletters, stakeholder engagement via email, in person and event communications, and internal communications and events. A summary of consultation and engagement activity is attached at Appendix 4. The following points outline the performance across the different communication channels.

- Coverage by regional television, radio and other news outlets resulted in more than 100 media reports;
- Engagement with more than 1,500 individuals at over 50 events;
- 16,825 unique visits to the devolution consultation website; and
- our best performing social media channels were Facebook, reaching over 167,000 views and 3,627 clicks to the website, and LinkedIn with over 134,000 views and 3,625 clicks to the website.

In total, 1,881 responses were received within the 8 week consultation period. This included 1,695 responses from individuals and 186 responses from businesses, organisations and representative groups. Full details on the results of the consultation are included within the Ipsos Consultation Report which is summarised at Appendix 3 which includes details of where to access the full report) and a Summary of the Consultation together with the Constituent Councils' Response at Appendix 1.

Responses to the consultation came from residents from all areas. The consultation survey was self-selecting, therefore no area was specifically targeted, however there is a good split of responses from all areas of the three Constituent Councils and no one area is over represented. The overall number of responses achieved was slightly higher than expected and similar to some recent Level 3 Mayoral deals e.g., York and North Yorkshire, 1,971 responses.

Details of the demographics of respondents are available in the Equality Impact Assessment (EIA) at Appendix 5. In summary:

- 50% of respondents were Male, 42% Female, 1% non-binary, and 7% preferred not to say.
- Those aged 45 to 64 had a higher response rate to the consultation when compared to the resident population. Those aged 24 and below had a lower response rate when

¹ Council approval dates; Lancashire County Council on 27th November, Blackpool Council on 29th November and Blackburn with Darwen on 30th November 2023.

compared to the resident population.

- In terms of the ethnic group of respondents, the proportion of White respondents (87%) was higher than the proportion of ethnic minority community respondents (4%) when compared to the resident population.
- 30% of respondents listed their religion as None. 46% listed their religion as Christian, and 2% of respondents listing their religion as Muslim.

Analysis undertaken as part of the EIA (attached at Appendix 5) provides a summary of findings from the protected characteristic groups. In addition to the consideration of protected characteristics and/or Groups within the EIA, as required by the Equality Act 2010, the Council has also considered the impact of the Proposal on other groups and individuals, in certain cases in line with other statutory duties. These are outlined in the EIA section of this report, along with the actual or potential positive and/or negative outcomes and impacts on those groups and/or individuals.

Feedback on the consultation process

The Ipsos Consultation Report sets out that some participants raised issues about aspects of the consultation process including that the consultation period was considered to have been inadequate, questions could only be answered in a way that suggested support for the proposal, the proposals were vague and there was insufficient effort made to communicate with people. The Constituent Councils are content that the consultation was undertaken lawfully, and in line with the Gunning principles.

There is no statutory minimum period for a public consultation. Due to the Christmas holiday period an additional two weeks was factored into the length of the consultation, which ran from 1 December 2023 to 26 January 2024, a period of 8 weeks. This was a sufficient period for the consultation which is evident from the extent of responses received.

There were both closed questions, where respondents could indicate from strong agreement to strong disagreement with the Proposal. The consultation document also allowed for free text responses in which respondents could include any response at length, and it is therefore not correct to suggest that responses were in some way restricted in nature.

The Proposal sets out the intentions of the proposed LCCA in relation to the various functions that the Constituent Councils seek to be devolved. Should the LCCA be formed, more detailed plans will be developed across the thematic areas in formulating the policy position of the proposed LCCA. These detailed plans will, where appropriate, be subject to further consultation. Decisions required in the planning of the proposed LCCA will be taken publicly by the Constituent Councils, ensuring the process is transparent.

6. POLICY IMPLICATIONS

Key findings and recommendations

Overall, the consultation findings outlined in the Ipsos Consultation Report summarised at Appendix 3 are largely positive, demonstrating a broad support for the proposed devolution. This support is reflected in each of the eight thematic areas set out in the consultation, as well as in the comments received. The results demonstrate particularly strong support for the proposals from stakeholder organisations, including businesses in Lancashire. There are therefore positive grounds for taking forward the Proposal document and making a formal submission to government.

As evidence that more consultees agree than disagree with the proposal, net agreement from those who completed a response form is positive for each of the priority areas consulted on. For the eight priority areas this is as follows:

- Innovation, Trade and Investment: 59% agreed with the proposals for Innovation, Trade and Investment, compared to 29% disagreeing (+30).
- Skills: 64% agreed with the proposals for Skills, compared to 25% disagreeing (+39).

- Transport: 62% agreed with the proposals for Transport, compared to 27% disagreeing (+35).
- Net Zero and Climate Change: 56% agreed with the proposals for Net zero and climate change, compared to 28% disagreeing (+28).
- Digital and Cyber: 59% agreed with the proposals for Digital and cyber, compared to 25% disagreeing (+34).
- Culture and Tourism: 59% agreed with the proposals for Culture and tourism, compared to 25% disagreeing (+34).
- Housing and Land: 50% agreed with the proposals for Housing and land, compared to 35% disagreeing (+15).
- Delivering Our Ambitions: 51% agreed with the proposals for Delivering our ambitions, compared to 32% disagreeing (+19)

However, in the responses, a number of key themes, issues and findings emerged. A summary of the main issues raised, and our response, including where changes have been made to the Proposal document as a result is provided in the Summary of the Consultation together with the Constituent Councils' Response at Appendix 1.

Amendments to the Proposal include responses to concerns about UKSPF delivery and how the LCCA can ensure that it delivers benefits across the whole of the CCA area. Further information on the Lancashire Data Observatory has been included in the Proposal, setting out how this service will provide the CCA with evidence to inform its decision making.

In addition to the above, some minor changes have been made to the Proposal document to reflect updated advice from government and legal clarifications. This includes some small changes to references to sections of Acts of Parliament in the Powers Table, and some changes to wording on remuneration. These changes are technical in nature and do not affect the aims and objectives of the Proposal.

Based on the above, a revised Proposal document is now presented, and Council is asked to approve the Proposal for submission to the Secretary of State. The reference in the proposal document regarding the ownership and operation of Blackpool Transport Services Ltd (BTS) and it remaining as an arm's length company owned by Blackpool Council has not changed following the consultation. Neither has the safeguards in respect of voting in connection with BTS, as set out in the report to the last Council meeting and the proposal document.

Should the Secretary of State accept the submitted Proposal, Regulations will be laid before Parliament to establish the Combined County Authority. Those Regulations will be based on the Proposal document agreed by Council Forum.

Regulations

The Regulations are the legal document that establish the LCCA, set out the framework for how it will operate and the powers it will exercise. The Regulations in effect simply set out in legal terms the arrangements set out in the Proposal. There are, however, some issues not directly addressed in the Proposal which will feature in the Regulations, for example that the LCCA will have a Vice Chair, and what the quoracy rules will be.

Amongst the issues which will be covered are that the Chair will be elected every year, with arrangements in place for regular reviews. There will also be a Vice Chair to be appointed from a different Constituent Council to the Chair. Authorities will nominate up to two substitute members each, and quoracy will be at least one member from each authority, to include the Chair or vice Chair.

In relation to finances, there will be capacity funding from government in the initial stages, and work is ongoing to agree arrangements for how projects and initiatives are funded. However, the Regulations require that a "fall-back" position is set out, in the event that there are any costs for which the constituent authorities cannot otherwise identify or agree funding sources. It is proposed

that, in that event, any costs would be apportioned between the three constituent councils on the ratio of 4:1:1 by Lancashire County Council, Blackpool Council and Blackburn with Darwen Council respectively.

Voting arrangements will be as set out in the Deal and Proposal document, with local flexibility to agree which policies will form the Policy Framework and therefore be subject to unanimity.

The Regulations are currently being drafted by Government before they can be laid before parliament. In order to ensure there is no delay, it is proposed that Council Forum delegate the formal sign off of the final Regulations to the Chief Executive, in consultation with the Leader, and subject to the consent of the other two Constituent Councils. The delegation would be contingent on the Regulations reflecting the terms of the original Deal, the Proposal and this report. Government has made it clear that the aim of the Regulations is to put into law the agreements already made with the Constituent Councils, and have given assurances that this will be the case, as well as confirming that the Regulations will be drafted in consultation with the constituent councils, which will allow officers to ensure that the draft meets the expectations set out by Council Forum.

Some further detail relating to running of the LCCA, such as the arrangements for meetings, scheme of delegation to officers and details of audit and scrutiny will be matters for the constitution of the LCCA. A further report will come to Full Council in June or July to present a draft constitution for approval by the three Constituent Councils.

Alternative Options Considered

To agree not to submit a Proposal to the Secretary of State to establish a LCCA. This is not recommended as it is not in accordance with the majority of views expressed in during the consultation process, the LCCA could not be established and no powers or funding would be devolved. In order to allow powers and funding to be devolved, the Government's policy requires that a Combined County Authority must be established in the area.

To agree to submit the original draft Proposal to the Secretary of State without amendment. This option is not recommended as the Proposal submitted to the Secretary of State will not take account of the views expressed in the consultation. The Levelling Up and Regeneration Act requires that authorities must have regard to the results of the consultation in preparing the proposal for submission.

To agree to submit an alternative version of the Proposal to the Secretary of State. For the reasons set out on this report and its appendices, it is considered that the Proposal contains the necessary amendments to take account of the consultation and additional amendments are not considered appropriate.

7. FINANCIAL IMPLICATIONS

Subject to all three Constituent Councils agreeing to submit the Proposal there will be an ongoing need for enabling activities from the Constituent Councils to continue pending Government approval and receipt of capacity and other funding. The Government will provide capacity funding of £1m in total, payable in phases of £0.25m in 2024-25 once the establishing legislation is made a further £0.5m in 2025-26 to meet the costs of enabling activities, and the remaining funding of £0.25m being made in 2026-27.

As referred to earlier in the report, the Regulations require that a "fall-back" position is set out, in the event that there are any costs for which the constituent authorities cannot otherwise identify or agree funding sources. It is proposed that, in that event, any costs would be split on the ratio 4:1:1 by Lancashire County Council, Blackpool Council and Blackburn with Darwen Council respectively.

Detailed work will be required to understand the budgeting changes required for those activities transferring to the Combined Authority from the Constituent Councils following the proposal document and the Regulations laid before government.

8. LEGAL IMPLICATIONS

The Levelling Up and Regeneration Act established a new type of combined county authority. Whilst the Constituent Councils agreed a devolution deal with Government and have undertaken the required consultation, the creation of a new combined county authority is now subject to the Constituent Councils submitting a formal Proposal to Government, and approval of secondary legislation.

9. RESOURCES IMPLICATIONS

Should Council Forum agree to formally submit the Proposal to Government, and subject to the approval of the Proposal by the Secretary of State, each of the affected Councils will identify any potential future workforce implications and ensure that these are dealt with in accordance with agreed HR policies and procedures. In addition, the appropriate workforce communications will be considered and enacted as needed.

10. ENVIRONMENTAL IMPLICATIONS

The decision to submit the Proposal about the establishment of an LCCA will not in itself directly affect carbon emissions in a material way. If subsequently established, it is anticipated that the LCCA will develop its own plans and strategies to reduce carbon emissions which will be subject to its own approval processes and approaching the issues from a wider strategic and geographic position may beneficially impact the development of more consistent and measurable carbon reduction measures.

11. RISK MANAGEMENT IMPLICATIONS

The programme for creating a LCCA takes into account the risk of a general election being called part way through the legislative process. Measures to mitigate that risk have been built into the programme by running numerous workstreams simultaneously so as to avoid any unnecessary lengthening of the timescales.

12. EQUALITY IMPLICATIONS

In coming to a decision, the Council is required to have regard to the Public Sector Equality Duty (PSED) under the Equality Act 2010. An Equality Impact Assessment (EIA) has been prepared and is appended to this report (appendix 5). The Council must have due regard to this report to ensure that it is satisfied that any adverse impact and the proposed mitigation allows it to meet the legal obligations set out in the PSED. The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

The EIA recognises that the Proposal has the potential to provide significant benefits to all communities, but specifically for people from the protected characteristic groups and deprived communities. However, this will be dependent on the implementation of the Proposal and the systems and processes that the Constituent Councils put in place; and how the LCCA will look to address inequality as an integral part of everything it does and every decision it makes.

As the new LCCA will become subject to the Public Sector Equality Duty under the Equality Act 2010 this will require the authority to set equality objectives, publish annual equalities information and have due regard for equality matters when carrying out its functions, making decisions and delivering projects and programmes.

The EIA sets out that the LCCA should give early thought to how it can begin to meet these and other duties, especially as it further develops its priorities, becomes established and finalises its workstreams.

13. CONSULTATIONS

Clause 43(4) of the Act provides that: “Before submitting a proposal under this section to the Secretary of State, the authority or authorities preparing the proposal must:

- a. carry out a public consultation across the proposed area on the proposal, and
- b. have regard to the results of the consultation in preparing the proposal for submission to the Secretary of State.”

The approach to the consultation set out in the report meets those requirements, and is in line with the "Gunning principles" for consultations.

Weight to be given to responses

The law relating to consultation requires proper consideration of the consultation responses. Whilst there may be some occasions where it is appropriate to give certain categories of response more weight than others, generally speaking, if a point is made in a consultation response, it should be reasonably considered whatever the origin of the point. The question for the decision maker should be whether the point causes them to change their view.

In this case, different weight should not be given to responses made by stakeholders (as defined by Ipsos), and non-stakeholders (as defined by Ipsos). The question for the Council remains whether the point made causes it to change its view, and it is entirely lawful for the decision maker to take a view different than even an expert body on a question in a consultation.

CONTACT OFFICER:	Denise Park
DATE:	5th March 2024
BACKGROUND PAPER:	Appendix 1 - Summary of the Consultation and the Constituent Councils' Response (You Said We Did) Report (Appendix 2 - Revised Proposal Appendix 3 - Summary of Ipsos Consultation Report Appendix 4 - Summary of Communications and Engagement Activity Appendix 5 - EIA