

## **The Lancashire Devolution Deal 13<sup>th</sup> Dec 2023**

### **Report of Chief Executive**

#### **PURPOSE OF REPORT**

To allow Council to consider the draft Lancashire Devolution Deal and agree the principles of a response to the formal consultation.

**This report is public.**

#### **RECOMMENDATIONS OF CLLR PHILLIP BLACK**

- (1) That Council notes the draft Lancashire Devolution Deal and Proposal (Appendix A and B)**
- (2) That Council agrees to submit a response to the eight sections of the formal consultation, feeding back the comments in part 3.0 of this report.**
- (3) To delegate authority to the Chief Executive, in consultation with the Leader, to finalise the consultation response (including completion of the online consultation and a formal written response) based on recommendation 2**
- (4) That Council promotes the consultation and seeks to encourage our district's residents and organisations to respond.**

#### **1.0 Introduction**

- 1.1** In February 2022, the Government published its White Paper on Levelling Up, a significant set of proposals which sought to address geographical disparities in funding, productivity and growth across England. The resulting legislation, the Levelling-up and Regeneration Act 2023, allows for, amongst other things, the creation of new Combined County Authorities (CCAs) that require the agreement of upper-tier Local Authorities in the area (County and Unitary).
- 1.2** Following the publication of the White Paper, the three upper tier Councils (Lancashire, Blackpool, Blackburn with Darwen) agreed to cooperate on the creation of a new devolution deal that would cover the Lancashire area by establishing a CCA.
- 1.3** The three Councils have undertaken extensive negotiations, with Government, to agree the basis of a proposed devolution deal.
- 1.4** The Deal document (APPENDIX A) sets out the basis for the deal, including the key powers to be devolved, main objectives of the proposed CCA and the governance principles.

## **2.0 Proposal Details**

**2.1** The Deal document has been further developed into a Proposal document (APPENDIX B) This Proposal document will be subject to an extensive consultation process across the area in accordance with the statutory requirements. The full consultation arrangements, setting out how the Councils will seek the views of the public and stakeholders are set out in the Proposal document.

**2.2** In summary the draft deal sets out-

**2.2.1** The formation of the Lancashire Combined County Authority (CCA) to provide overall vision and leadership, seek the best value for taxpayer's money, and be accountable to local residents.

**2.2.2** 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 the central government departments.

**2.2.3** 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.

**2.2.4** 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.

**2.2.5** 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.

**2.2.6** 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.

**2.2.7** 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.

**2.2.8** 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)

**2.2.9** Deliver innovation-led growth, including working with government to capitalise on Lancashire economic potential in growing the energy and low carbon sector

**2.2.10** Improve urban quality and help address poor health.

**2.3** From the perspective of Lancaster City Council the following points are highlighted-

**2.3.1 District Council involvement** The Combined County Authority model, as established by the Levelling-up and Regeneration Act 2023, says that only Upper Tier Local Authorities can be constituent members. However, it is recognised that it will be essential to ensure that the voice of the district councils in Lancashire is heard. To achieve that, district councils will be invited to nominate two “non-constituent” members to serve as members of the CCA. The Act gives the CCA the right to grant voting rights to the non-constituent members. The responsibility for agreeing any such rights rests with the constituent members of the CCA and would be set out in the CCA’s constitution. In addition, Districts will also be invited to nominate representatives to the CCA Audit and Scrutiny Committees. It is proposed that these nominations are made by the District Leaders Forum, as a body which commands the consent of all 12 districts in Lancashire. The nominating body may change, in consultation with the districts, if an alternative nominating body which represents the interests of all districts in Lancashire, is preferred.

**2.3.2 Business Voice** The involvement of business will be essential to delivering the CCA's aims and ambitions. To achieve this, a “Business Board” will be established. Whilst it will not be a formal part of the CCA’s own governance structure, it will link closely to the CCA on matters connected to business, economic growth, skills and investment, and its views will be sought by the CCA on these and other issues. A business representative will also have a seat at the CCA table as an associate member

**2.3.3 UKSPF** 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.

**2.3.4 Housing and land** 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.

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.

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

**2.3.5 Working with Homes England** 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.

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

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.

### **3.0 Details of Consultation**

3.1 The consultation on the draft devolution deal runs until 26<sup>th</sup> January 2024. It seeks views on eight areas of the draft devolution agreement. Individuals and organisations are invited to respond online at <https://lancashiredevolution.co.uk/consultation/>

3.2 Council is asked to consider its response to the eight sections of the consultation. Respondents are requested to indicate a basic level of agreement with the proposals ranging between 'Strongly Agree- Strongly Disagree'. There is also an opportunity to provide a comment on the proposal, enabling respondents to share more nuanced views and highlight specific points of concern or support. It is proposed that the finalisation of the response is delegated to the Chief Executive in consultation with the Leader based on Council's response

tonight.

3.3. The eight sections of the consultation are set out below with comments and questions included from the City Council perspective. These comments and questions are intended to form the basis of the Council's response to the consultation. The full wording of the preamble to each section of the consultation questions is included in **Appendix C**, the section title and primary statement of intention is provided here.

### **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.**

#### **COMMENTS**

Lancaster City Council's allocation of £6million UKSPF is assisting a wide range of projects and organisations across the District that would potentially not have been funded by a central allocation. What will the CCA put in place to ensure that any further UKSPF allocation (or equivalent) is distributed in a way that best delivers agreed outcomes across our District? We believe that administration and decision making for UKSPF funding should be retained by the District Councils of Lancashire.

Technology based businesses represent a significant growth opportunity for Lancashire. The capital requirement to meaningfully develop this area will be much greater than £12 million. What level of capital investment does the CCA estimate actually is required, and how will a small number of geographically constrained projects benefit the county as a whole? We believe a greater amount of capital funding should be sought as part of this deal. We note that the capital projects highlighted in the deal had previously been announced before the devolution deal had been announced, what new investment comes with this deal?

Is £1million of capacity funding to support the CCA and particularly to ensure full engagement with 12 Districts and other stakeholders sufficient?

We note that the functions of the LEP already exist within the county and that this role is not expanded or built upon in this Devolution deal.

### **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.**

#### **COMMENTS**

Improving skills benefits the Lancashire economy. What will the devolution deal offer that isn't currently being delivered?

How will the deal be beneficial to our educational providers, eg Lancaster and Morecambe

College, University of Cumbria, Lancaster University?

What will the selection criteria be for the pilot scheme that looks to support people with health conditions to remain in the workplace?

### **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.**

#### **COMMENTS**

A transport system that provides convenient, affordable public transport and encourage as active travel is essential to meeting many other aspirations.

Lancashire has a huge rural area that is poorly serviced by public transport. How will the CCA address transport issues in rural areas?

Lancaster District's transport issues are widely acknowledged. Projects like Canal Quarter, Eden, Morecambe regeneration etc highlight the need for action and significant investment in the existing network and additions to infrastructure (eg rail, tram etc). How will the CCA plan and prioritise that for that? What quantum of investment is required to ensure that Lancashire's Devolution deal provides the benefits seen in other areas?

We note that Blackpool has the agreed separate arrangements for its trams and buses within this deal. We do not believe that Ministerial sign-off should be required for any future public transport franchising arrangement within the county.

### **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.**

#### **COMMENTS**

Setting an ambitious net zero target for Lancashire is essential.

It will only be achieved through an effective strategy that is fully resourced. A starting point should be the commissioning of a Local Area Energy Plan for the whole of Lancashire.

We are concerned that a £2million fund for retrofit will have little impact across the whole of Lancashire, a much more larger amount of funding is required.

With the deal that is on offer how will the CCA provide assurance that the ambition will actually be delivered?

As evidenced by UK100 climate scorecard Lancaster City Council is a leading Council in addressing climate change. How will the CCA ensure that the best practice that is already present in Lancashire is fully utilised and built upon?

## **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.**

### **COMMENT**

Some key projects are identified. How will the be assumed benefits of these be delivered for the benefit of Lancashire as a whole?

Lancaster City Council can provide the CCA with excellent local examples of how digital infrastructure has transformed rural communities. How will the CCA work with us to ensure that best practice is shared?

## **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.**

### **COMMENT**

Culture and Tourism is vitally important to delivering the agreed outcomes in the Lancaster District. District Councils are an integral part of that as is our wider community that provides arts and culture within the area.

How will the CCA work with us to ensure Government provides the support and investment needed to sustain our arts and culture offer?

Eden will bring a further 740,000 visitors to Lancashire and specifically Morecambe. How will the CCA ensure investment is provided to support those additional visitors and more importantly ensure that the economic impact of those additional visitors is felt locally?

We note that Eden Morecambe was announced prior to this Devolution deal being negotiated.

## **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.**

### **COMMENT**

There is nothing material in this aspect of the deal which provides something that isn't within the County already.

This aspect of the deal requires the collaboration of all three tiers of Local Government. How will the CCA ensure that?

### **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.**

#### **COMMENT**

This section of the deal acknowledges the importance of District Councils. However District Councils are not constituent members of the Deal. We believe that the CCA should enshrine full voting rights for district representatives on the CCA board, and note that it has the power to do so when drafting its constitution. If the CCA is a step to broader devolution how will the CCA work within the legal framework of this proposed deal to ensure that Districts see the advantages of the this deal and remain fully engaged in the broader devolution strategy for Lancashire?

Lancaster City Council fully recognises the importance of collaboration across all sectors. It also recognises that local authority boundaries don't articulate economic, strategic and social footprints. Lancaster City Council already has in place meaningful partnerships and collaborations that deliver on a wide range of outcomes and that in many cases necessary cross recognised Local Authority Boundaries. How will what is described in this section complement the excellent work that already takes place?

This section is about delivering ambitions. At this stage the funding accompanying the deal £20 million is unlikely to deliver those ambitions. At what stage will further funding from Government be released to deliver ambitions?

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):**

At this stage the report seeks to provide a response to the consultation on the CCA. Until the response to the consultation is known it is not possible to assess the impacts.

#### **LEGAL IMPLICATIONS**

As outlined in the report.

#### **FINANCIAL IMPLICATIONS**

None directly arising from this report.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces**



None directly arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

Although there are no financial implications directly arising from this report, further decisions will be made which will undoubtedly carry budgetary implications for the Council. Those will need to be considered on their own merits and built into the Council's future budgets projections at the appropriate time.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments to add

**BACKGROUND PAPERS**

[Insert list of background papers. NOTE: ALL listed background papers MUST be sent to Democratic Services for publication on the Council's website]

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