

Report to:	Health and Wellbeing Board
Relevant Officer:	Antony Lockley, Strategic Head, Place
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting	8 June 2016

LANCASHIRE COMBINED AUTHORITY

1.0 Purpose of the report:

- 1.1 To update members on the background, rationale, process and progress toward forming a Lancashire Combined Authority.

2.0 Recommendation(s):

- 2.1 To note the report and discuss potential implications and opportunities presented by Combined Authority working.

3.0 Reasons for recommendation(s):

- 3.1 The formation of a Combined Authority for Lancashire is of interest and relevance to all public services in the County, with health a key part of emerging Combined Authority proposals.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

- 3.3 Other alternative options to be considered:

None

4.0 Council Priority:

4.1 Combined Authority proposals are important to both Council priorities:

Priority One – The economy: Maximising growth and opportunity across Blackpool

Priority Two – Communities: Creating stronger communities and increasing resilience

5.0 Background Information

5.1 A Combined Authority is formed when a number of Local Authorities come together in a binding legal arrangement to enable collaboration and co-ordination on areas of overarching strategic importance, typically housing, transport, skills, health, regeneration and economic growth. The basic principle driving the creation of Combined Authorities is that local authorities and their partners can only meet the challenge of delivering on the likes of growth, housing and transport if they work together in 'real-world' economic geographies. As a result, the footprint of Combined Authorities are required to fit the way that the economies, housing and labour markets function – things that do not normally fit neatly within individual Local Authority boundaries. This principle can be seen clearly in the formation of the Greater Manchester Combined Authority and the Liverpool City Region Combined Authority for example.

5.2 Combined Authorities are generally led by a board made up of the Leaders of the Local Authorities that make up the Combined Authority, plus the (non-voting) Chair of the Local Economic Partnership. Government believes the establishment of Combined Authorities will support increased democratic accountability and transparency (over and above that provided by LEPs) to major areas of strategic policy making.

5.3 Once established, a Combined Authority can negotiate a devolution deal with central government, bringing new powers and potentially new resources to the Combined Authority's area. So far, the Government has insisted on Combined Authorities agreeing to an Executive Mayor before any agreement is made to devolve significant amounts of new money to a Combined Authority. A number of 'devo deals' have been done so far, focusing on those Combined Authorities in the North – Manchester, Tees Valley, Sheffield and Liverpool. The Government's clear focus on the Northern Combined Authorities is driven in large part by the Chancellor's 'Northern Powerhouse' agenda. As well as new powers over the likes of skills, health services and transport, most devo deals so far have included major new funding to drive economic growth, usually in the order of an additional £30-£35m per year for 30 years.

5.4 Lancashire's economy is a very similar size to the Sheffield and Liverpool City Regions, yet it is a long way behind others in securing new powers, resource, and anchoring itself within the Northern Powerhouse agenda. The Government and partners in Lancashire recognise that Lancashire cannot be left out, and that Combined Authorities are only the only way to access significant new powers and resource under current and likely future arrangements.

5.5 Headline reasons for a Lancashire Combined Authority include:

- The Government has a clear direction of travel. It wants to deal with local government on economy, planning, housing and skills via Combined Authorities. Those without them are already being left behind.
- A Combined Authority will provide a single voice for Lancashire in the debate about the future of the North. Greater Manchester and Merseyside already have powerful voices via their Combined Authorities and are shaping the 'Northern Powerhouse'. Preston, Blackpool, Lancaster or Blackburn on their own, will not be heard.
- A Combined Authority gives Local Authorities a clear focus for driving economic growth, which is the strongest way to impact on business rates and secure the future of public services. When new funding arrangements for Local Government are fully implemented Councils will be reliant on rates and growth to fund services however they are delivered.
- A Combined Authority gives Local Authorities in Lancashire an unprecedented opportunity to influence and shape the work of the Local Economic Partnership and the funding streams which Government distributes through the Local Economic Partnership. With this closer knowledge and working we will have a better prospect of aligning Local Authority propositions/ projects and attracting investment via the Local Economic Partnership.
- A Combined Authority for Lancashire creates the opportunity to contribute to a 'Lancashire Plan' on economy, skills, health etc. including the opportunity to shape how Lancashire's priorities are decided.
- A Combined Authority creates the vehicle for Local Authorities to and influence what the transport priorities are at local, sub-regional and regional level. Where those priorities are of regional and national significance, a Combined Authority will ensure the area has a strong voice in the shaping the priorities of Transport for the North.

- A Combined Authority creates the right framework to work more closely across Lancashire, and the opportunity to share capacity, expertise and experience in a co-ordinated way.
- A Combined Authority will provide the mechanism to have sensible and structured resolutions to disputes and differences which have sometimes divided Lancashire, fuelled negative perceptions and undermined local credibility.
- A Combined Authority provides the right structure for Local Authorities and other public partners to work collectively on the challenge of delivering sustainable public services into the future.
- Without a Combined Authority, Lancashire cannot secure a devolution settlement that will bring new powers and resource to bear on the area's strategic challenges and priorities.

5.6 Across 2015 Local Authorities in Lancashire conducted an in-depth governance review. The Governance Review explored three questions: Where are we now? Where do we want to be? How will we get there? As part of this review Council Leaders developed ambitions for Lancashire under five themes. These are:

1. Prosperous Lancashire – a Lancashire that is recognised as a destination of choice, to invest in, do business in, live or visit;
2. Connected Lancashire – digital and transport connectivity to promote inclusive growth;
3. Skilled Lancashire – a skilled workforce to meet the demands of employers and future business growth;
4. Better Homes for Lancashire – better living standards for residents with good quality homes and a wide housing offer;
5. Public services working together for Lancashire – integrated public services at the heart of local communities given everyone the opportunity for a healthier life.

5.7 An options appraisal was undertaken and consideration was given to arrangements including an enhanced status quo, Joint Committee, Economic Prosperity Board, Integrated Transport Authority and Combined Authority. The conclusion of the review was that a Combined Authority offered the strongest governance model to attract freedoms, flexibilities and resource from the Government and drive the strategic agenda against the five themes that Leaders had identified.

- 5.8 Fourteen of the fifteen Local Authorities in Lancashire are working in support of forming a Combined Authority, and each Council made a positive decision before Christmas 2015 in favour of consulting on the formation of a Combined Authority for Lancashire. Formal public consultation took place across January and February 2016, with over 70% of respondents supporting the formation of a Combined Authority for Lancashire. Following this, all fourteen Local Authorities took a further report in March and April 2016 to their Councils recommending the formation of a shadow Lancashire Combined Authority.
- 5.9 The shadow Lancashire Combined Authority will hold its first formal meeting in early July 2016, although meetings are already taking place between all fourteen Leaders on a Combined Authority basis. Officers have been given approval to open negotiation with Government on the formation of a Combined Authority for Lancashire, and to start to negotiate on a first devolution deal. Officers met with Department for Communities and Local Government's Governance Team in mid-May to begin to work on a draft Parliamentary Order that must be laid before Parliament to enable the formation of the Combined Authority. This is a complicated process but sound progress has already been made as Lancashire is advanced in its governance proposals. Civil Servants hope that the Order can be presented to Parliament in the Autumn, with passage through Parliament in the months following. This will enable the Lancashire Combined Authority to come into formal legal existence in early 2017.
- 5.11 Officers hope to begin direct negotiation with Civil Servants on a first devolution deal for the County over the summer. At the same time officers are currently preparing a work programme for the shadow Combined Authority. This work programme will include production of a Lancashire Plan setting out a vision for the Lancashire area, and will address the key strategic themes already identified, i.e. economic growth, housing, transport, skills and health.

5.12 Does the information submitted include any exempt information? No

5.13 **List of Appendices:**

None

6.0 Legal considerations:

6.1 None

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

9.1 None

10.0 Risk management considerations:

10.1 None

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 None

13.0 Background papers:

13.1 Information on the composition and work of new Combined Authorities elsewhere in the North West, good places to start are:

Liverpool City Region Combined Authority:

<https://www.liverpoollep.org/economic-strategy/combined-authorities/>

Greater Manchester Combined Authority:

<https://www.greatermanchester-ca.gov.uk/site/index.php>

If you are more interested in the new money and powers potentially on offer, take a look at the content of the agreed devolution deals for our neighbouring Combined Authorities:

Liverpool City Region CA devo deal:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/477385/Liverpool_devolution_deal_unsigned.pdf

Greater Manchester CA devo deal:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/369858/Greater_Manchester_Agreement_i.pdf