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| <b>Report to:</b>        | <b>TOURISM, RESOURCES AND ECONOMY SCRUTINY COMMITTEE</b> |
| <b>Relevant Officer:</b> | Alan Cavill, Director of Place                           |
| <b>Date of Meeting</b>   | 15 December 2016   |

## LANCASHIRE COMBINED AUTHORITY

### 1.0 Purpose of the report:

- 1.1 To provide an overview of recent activity and progress toward the formation of a Lancashire Combined Authority.

### 2.0 Recommendation(s):

- 2.1 To consider progress and to identify any further areas for scrutiny where appropriate.

### 3.0. Reasons for recommendation(s):

- 3.1 To ensure members are fully informed about Combined Authority working in Lancashire.

- 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: information report only.

### 4.0 Council Priority:

- 4.1 The relevant Council Priorities are:

“The economy: Maximising growth and opportunity across Blackpool”

“Communities: Creating stronger communities and increasing resilience”.

### 5.0 Background Information:

- 5.1 Lancashire's Local Authorities (LAs) have been working closely since 2015, with monthly meetings between all Leaders and Chief Executives. Leaders oversaw a governance review that took place across 2015. This review examined options for enhancing governance arrangements in the county, focusing on the best

model to enable Lancashire to meet its future strategic challenges and opportunities. In late 2015 the governance review concluded that Combined Authority working was the most appropriate option.

- 5.2 In early 2016, fourteen of Lancashire's fifteen local authorities committed to progress the formation of a Combined Authority for the county. A public consultation exercise demonstrated widespread public support for the proposals. With this in view, Leaders opted to set up a Combined Authority in shadow form in June 2016, as well as beginning formal discussion with Government on establishment of a legally constituted permanent arrangement.
- 5.3 A formal request to form a Combined Authority for Lancashire was submitted to Government in June, and the shadow Lancashire Combined Authority held its first meeting on 11 July 2016. At this meeting Councillor Simon Blackburn, Leader of Blackpool Council, was appointed as Chair and Councillor Alistair Bradley, Leader of Chorley Council, appointed as Vice-Chair.
- 5.4 The shadow Lancashire Combined Authority has five core policy themes:
  - 5.4.1 **Skilled Lancashire.** The focus of this theme is to ensure that Lancashire offers the right skills provision and interventions required to support people into work and the continued development of the Lancashire economy.
  - 5.4.2 **Better Homes for Lancashire.** The focus of this theme is to identify the county's primary housing needs, and support the development of both new homes and improved homes in the county's varied housing market areas.
  - 5.4.3 **Connected Lancashire.** The focus of this theme is to identify and build the case for continued significant investment in Lancashire's physical and virtual infrastructure, e.g. road, rail, broadband.
  - 5.4.4 **Prosperous Lancashire.** The focus of this theme is to work with the Local Enterprise Partnership, local authorities and other partners to develop the case for sustained investment in economic development projects across the county in order to drive job creation and economic opportunity.
  - 5.4.5 **Public Services Working for Lancashire.** The focus of this theme centres on working with other public services (e.g. health) to respond to the serious challenges facing the sustainability of core services in Lancashire.
- 5.5 Each of these themes has both elected Member and Chief Executive leads. Work on some themes is more advanced than on others, recognising that the starting position for some themes is much advanced (e.g. prosperous, connected) than some (e.g. homes, public services). All five themes are covered in the shadow Combined Authority work plan, and each Combined Authority Board meeting receives an update on each theme from the relevant political lead.

## 6.0 **A Lancashire Plan and Frist Devolution Settlement**

- 6.1 The shadow Lancashire Combined Authority is now developing a Lancashire Plan which will set out a vision for Lancashire based on the five core themes. Each of these themes will be underpinned by an action plan with clear timescales for delivery and political leads will oversee direction and delivery.
- 6.2 Members will be aware that over recent months Leaders have been developing a proposal for a first devolution deal to the Lancashire Combined Authority, which could enable greater control, power and influence over a range of programmes and funding delivered in Lancashire. Leaders and officers have examined devolution deals and proposals struck elsewhere across the country, as well as focusing on the specific things that Lancashire would want. Proposals for Lancashire currently include a Growth and Productivity Fund worth £900m, devolved funding for strategic transport and development; influence and/or control over employment and skills programmes and delivery; housing changes and powers, to include new localised control of housing benefit; growth funding and aligning investment activity.
- 6.3 Government has been repeatedly explicit that areas that wish to secure significant devolved funding and powers via a devolution deal will need to adopt strong and robust governance arrangements as part of their Combined Authority arrangements. To this end, the shadow Combined Authority is currently considering options for strong governance in Lancashire to ensure we achieve the best outcome from a devolution deal.

## 7.0 **Recent Progress**

- 7.1 The shadow Lancashire Combined Authority Chair and Vice-Chair, along with the Chair of Lancashire's Local Enterprise Partnership, met with Andrew Percy MP, Minister for the Northern Powerhouse, in Whitehall in November 2016. The Minister was very impressed with the progress that Lancashire has made and also the measured approach taken to get governance arrangements agreed before requesting a devolution deal. The Minister was very clear in his support for Lancashire to have a Combined Authority and has since instructed the Department for Communities and Local Government Governance and Democracy team to progress the Parliamentary Order quickly.
- 7.2 Officers continue to work on a devolution proposal and feedback from Ministers and civil servants suggests that having a combined authority already in place, or at least in the parliamentary system, provides the confidence to Government on which to negotiate a deal.

7.3 The shadow Combined Authority is already having a positive impact for Lancashire. The Combined Authority worked closely with the LEP in the production of Lancashire's Growth Deal 3 submission to Government, and the signs are that Lancashire will achieve an above average allocation of resource, in part owing the new maturity in political arrangements. The Area Based Review now has political oversight from the Combined Authority, health partners are recognising the influential role the Combined Authority will have in delivering the Sustainability and Transformation Plan and we have recently been accepted onto the Government's One Public Estate Programme and awarded £340,000 which provides capacity funding for two years and will finance feasibility studies on a number of property-based projects across the county.

## 8.0 **Next Steps**

8.1 Following recent agreement with the Minister, a Parliamentary Order is now being drafted by the Department for Communities and Local Government's Governance and Delivery team. This Parliamentary Order will permit the formal creation of a Combined Authority for Lancashire. It is expected that this Parliamentary Order will be laid before Parliament early 2017. The expectation is that this timetable will allow the formal formation of the Lancashire Combined Authority in or around April 2017. In the meantime the shadow Lancashire Combined Authority will continue to meet monthly, overseeing delivery of the current work plan, directing continued development of devolution proposals and production of the Lancashire Plan.

Does the information submitted include any exempt information? No

### **List of Appendices:**

None.

## 9.0 **Legal considerations:**

9.1 Not applicable.

## 10.0 **Human Resources considerations:**

10.1 A small number of senior Council officers are making a significant input into Combined Authority working, recognising the potential and value of a Lancashire Combined Authority for both Blackpool and the county more widely. As well as direct involvement at Chief Executive and shadow Combined Authority Board level, Blackpool Council officers are part of the core Combined Authority policy and devolution teams.

**11.0 Equalities considerations:**

11.1 None.

**12.0 Financial considerations:**

12.1 None.

**13.0 Risk management considerations:**

13.1 Failure to form a Combined Authority for Lancashire is likely to result in the significant loss of resources for Lancashire over the medium to longer term, in particular funding for transport, economic development and housing. This represents a serious risk to Blackpool, as the town has rightly been the recipient of significant injections of public resource over the last decade, and this must continue if the Council is to succeed in continuing the regeneration of the town and its economy.

**14.0 Ethical considerations:**

14.1 None.

**15.0 Internal/External Consultation undertaken:**

15.1 In early 2016 a public consultation exercise was undertaken across Lancashire. A firm majority of respondents confirmed their support for a Combined Authority for Lancashire, to enable a greater degree of joint working between Local Authorities in the county and to create the necessary platform for devolution.

**16.0 Background papers:**

16.1 None.