

<b>Subject:</b>	Lancashire Combined Authority	<b>Status:</b>	For publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	4 <sup>th</sup> March 2020
<b>Report of:</b>	Chief Executive	<b>Portfolio Holder:</b>	Leader of the Council
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input checked="" type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
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<b>1.</b>	<b>RECOMMENDATIONS</b>
1.1	That the Cabinet approve, in principle, the establishment of a Lancashire Combined Authority.
1.2	That the Cabinet receive a further report on the detailed Combined Authority proposal later in 2020/21 to attain Rossendale Borough Council's consent to the establishment of the Lancashire Combined Authority.

## 2. PURPOSE OF THE REPORT

This report explores the outline proposal for the establishment of a Combined Authority across Lancashire. This includes an overview of the role, function, governance and benefits of the combined authority model of local government. Any decision to establish a combined authority requires the consent of all the local authorities covered by the combined authority. The council is not seeking this consent at this stage. Further detailed work will be undertaken to examine the nature, governance structure and operation of a combined authority that works most effectively in the Lancashire context. However, at this stage all the local authorities across the county are seeking an agreement in principle to demonstrate collective commitment to the concept.

## 3. BACKGROUND

3.1 The debate on a combined authority for Lancashire has been on-going for a number of years. On 16 March 2016 Full Council considered the issue and resolved to become a constituent member of a Lancashire Combined Authority, form a shadow Lancashire Combined Authority and that any future proposals for a devolution deal with the Government be brought back to council for agreement.

3.2 Over recent years the combined authority debate has progressed at significantly varying levels of pace across the country. There are now ten combined authorities across the country, ranging from the longest established – in Greater Manchester – to the emerging combined authority in West Yorkshire. Each have a different number of constituent local authorities and varying levels of devolved funding and powers from Government.

## 4. A COMBINED AUTHORITY FOR LANCASHIRE

4.1 The establishment of a combined authority for Lancashire is an opportunity to create a single, clear and influential voice for Lancashire. It is a mechanism to gain powers and funding from Government. A combined authority is a legally formed, locally owned body established by national legislation. Its aim is to carry out agreed joint functions (determined by the authorities in Lancashire) and to enable collaboration and collective strategic decisions across boundaries. Where they have been longer established the combined authority has secured significant powers and resources from Government for the area.

4.2 Agreeing a combined authority enables a Devolution Deal or other agreements to take place with Government across a variety of public service areas. Typically in other places this has included greater control through:

- integrated public services (health and social care, emergency services, housing providers, one public estate, schools)
- spatial planning
- apprenticeships and adult education
- wider freedoms around concessionary travel for young people
- homelessness
- crime e.g. co-commissioning

4.3 To be clear, they are not a mechanism to draw power or resource 'up' from local councils. They are also not driven by a need to create unitary local authorities. They are not a takeover by any authority or a merger. The debate around combined authorities should not be conflated with the debate around the creation of unitary local government across Lancashire.

4.4 In return for establishing a combined authority Lancashire could expect devolution of funding and powers common to most Combined Authorities, such as:

- a thirty-year Investment Fund (potentially £500m to £750m for Lancashire)
- powers to raise local levies
- powers over police and fire functions
- an integrated transport body and local transport planning
- bus franchising
- strategic housing planning
- powers over land assembly and infrastructure provision
- adult education

4.5 It would be for the new combined authority, in negotiation with the Government to determine the focus and detail of a Devolution Deal and the devolution 'ask' for Lancashire. This is a good opportunity to secure resources and powers from central Government for Lancashire, to enable a number of funding decisions to be taken closer to local people.

## 5. GOVERNANCE

5.1 It is for the authorities who make up the combined authority to determine a governance structure that works most effectively in the Lancashire context. There is no uniform agreed governance structure for a combined authority. A combined authority requires the consent of all local authorities covered by the combined authority. This needs to be one whole contiguous geographical area but does not require all the local authorities within the county boundary to be part of the combined authority. The authorities in Lancashire are keen to aim for all the fifteen local authorities in the county being part of a Lancashire Combined Authority. Each local authority making up the combined authority would have a single vote.

5.2 Eight of the ten existing combined authorities have a directly elected mayor. The elected mayor is the chair of their area's combined authority and are elected by the residents of this area. The mayor, in partnership with the combined authority, exercises the powers and functions devolved from Government. The Government believes the role ensures clear accountability over the powers, functions and funding that is devolved from national to local level. Lancashire have yet to resolve the issue of having a directly elected mayor and work

on the overall governance structure will take place during the next few months as part of working up the detailed proposal for the combined authority. No decision has been taken yet on an elected Mayor for Lancashire.

## **6. DEVELOPING THE DETAILED PROPOSAL**

6.1 The Leaders of the Lancashire local authorities are keen to gain agreement from Government formally and are seeking an agreement in principle from all the councils in Lancashire to start this process. Lancashire councils are seeking to achieve this from all councils by the end of March 2020.

6.2 The Secretary of State for Housing, Communities and Local Government would then commence the process and identify a Whitehall team Lancashire will work with. Work has already been agreed in principle to develop an evidence base for a Greater Lancashire Plan throughout 2020 which will provide a good baseline of information on a number of themes. This may provide the basis for identifying priorities for a devolution deal but will be reviewed once the work is complete in the Autumn. During 2020 the Lancashire authorities would seek to collectively develop the detailed proposal for consideration by each council, to seek consent. If this is successful a Shadow Combined Authority would be established, although the timeline for this would be determined in 2020/21 when the work around the governance structure is completed.

6.3 Once this work is completed the council will consider a further report on the detailed Combined Authority proposal. It is anticipated this will be in the second half of 2020/21. The proposal will be considered by the council's Overview & Scrutiny Committee first before being considered by the Cabinet. Attaining Rossendale Borough Council's consent to the establishment of the Lancashire Combined Authority would require a report to be considered by Full Council.

## **7. RISK**

7.1 Government have established a clear direction of travel in wanting to deal with local government on economy, planning, housing and skills via combined authorities. Councils without them risk being given considerably lower priority. Since the original proposal to establish a combined authority in Lancashire was approved by the council in 2016 there has been a growth in the number of combined authorities and the resources devolved to them.

7.2 A combined authority will provide a single voice for Lancashire in amongst the conversations with the rest of the North (Greater Manchester, Merseyside and West Yorkshire are already powerful voices). Rossendale alone will not be heard. Rossendale may not be able to join the Lancashire combined authority at a later stage if it refuses to join at this point in time given the long and complex process needed to create the new combined authority. Any local authority not part of the combined authority will not receive any of the funding or power benefits of being a constituent member.

## **8. FINANCE**

8.1 Approval of the annual budget for the combined authority including decisions on any levies, precepts or other demands for financial contribution from constituent authorities is subject to unanimous agreements by the constituent members. The scale of funding for Lancashire devolved from Government will be determined through the devolution deal but is likely to be significant.

## **9. LEGAL**

9.1 The powers to establish a Combined Authority are contained within the Local Democracy,

Economic Development and Construction Act 2009 and The Cities and Local Government Devolution Act 2016. A constitution for the Combined Authority will also be developed. The council's own constitution will be reviewed and any necessary amendments will be made. A parliamentary order is needed to establish a Combined Authority.

**10. POLICY AND EQUALITY IMPLICATIONS**

10.1 None specifically at this time, although the establishment of a combined authority is likely to provide access to a wider range of policy options through greater devolved powers. The exact nature of these are to be determined through the development of a devolution deal.

**11. CONCLUSIONS**

11.1 There are significant benefits for Lancashire in establishing a combined authority. Additional resources and powers will become available for the benefit of local people and it will allow more decisions to be made within Lancashire which affect Lancashire. Any decision to establish a combined authority requires the consent of all the local authorities covered by the combined authority. The council is not seeking this consent at this stage. Further detailed work will be undertaken to examine the nature, governance structure and operation of a combined authority that works most effectively in the Lancashire context. Any financial implications for Rossendale Borough Council will be considered once the proposal has been developed. However, at this stage all the local authorities across the county are seeking an agreement in principle to demonstrate collective commitment to the concept.

**Background Paper**

Document	Place of Inspection
Combined Authority for Lancashire, report to Full Council, 16 March 2016	<a href="http://www.rossendale.gov.uk">www.rossendale.gov.uk</a>