

<b>Subject:</b>	Combined Authority for Lancashire	<b>Status:</b>	For Publication
<b>Report to:</b>	Council	<b>Date:</b>	16 <sup>th</sup> March 2016
<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 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
<b>Contact Officer:</b>	Stuart Sugarman	<b>Telephone:</b>	<b>01706 252447</b>
<b>Email:</b>	<a href="mailto:stUARTSUGARMAN@rossendalebc.gov.uk">stUARTSUGARMAN@rossendalebc.gov.uk</a>		

<b>1.</b>	<b>RECOMMENDATION(S)</b>
1.1	The contents of this report be noted.
1.2	The appended response to the public consultation on the Combined Authority proposals be noted.
1.3	The council agree to become a constituent member of a Lancashire Combined Authority and submit proposals to do so to the Secretary of State.
1.4	In the interim period, the council agree to form a shadow Lancashire Combined Authority.
1.5	Any future proposals for a devolution deal with the Government be brought back to council for agreement.

**2. PURPOSE OF REPORT**

2.1 The purpose of this report is to update members on the progress on the Lancashire Combined Authority proposals, outline the response to the public consultation exercise and seek agreement for the Council to become a constituent member of a Combined Authority for Lancashire.

**3. CORPORATE PRIORITIES**

3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **Regenerating Rossendale:** This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting sustainable investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.
- **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
- **Clean Green Rossendale:** This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

**4. RISK ASSESSMENT IMPLICATIONS**

4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Government has a clear direction of travel in wanting to deal with local government on economy, planning, housing and skills via Combined Authorities. Council's without them risk being in a second division.

- A Combined Authority will provide a single voice for Lancashire in amongst the conversations with the rest of the North (Greater Manchester, Merseyside West Yorkshire 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.

## 5. BACKGROUND AND OPTIONS

5.1 Members will be aware that in October 2014 Council Leaders indicated their wish to develop closer collaborative working across Lancashire on economic related matters and to explore the options in this regard.

In order to determine whether the existing arrangements are effective or would benefit from change, the Leaders asked that a Governance Review be undertaken. The Council considered the Governance Review and draft Scheme of Governance at its meeting on 9<sup>th</sup> December 2015.

### LANCASHIRE COMBINED AUTHORITY

5.2 As part of the Governance Review Leaders developed ambitions for Lancashire. These are:

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

5.3 Leaders have recognised that some of the ambitions set out above can be delivered through the existing excellent partnership arrangements in place across the County geography. However, in order to attract and maintain economic growth and achieve a prosperous Lancashire for all, we need to demonstrate that Lancashire means business and provide reassurance that we have strong, robust governance arrangements in place and a commitment to work together.

5.4 The Lancashire Combined Authority will provide a legally constituted body operating across Lancashire to take strategic decisions on transport, economic development and regeneration and strengthen the relationship with the LEP and local authorities.

5.5 Lancashire has one of the largest local economies in the North of England generating over £25bn GVA, with over 45,000 businesses supporting 700,000 jobs. A Lancashire Combined Authority will ensure Lancashire is able to reach its full economic potential. The Government have been clear that it wants to deal with local government on economy, planning, housing and skills through a Combined Authority arrangement. For Rossendale Borough Council, a Lancashire Combined Authority will be:

- A single voice for Lancashire in the debate about the future of the North. Neighbouring areas already have powerful voices through their Combined Authorities and are shaping the 'Northern Powerhouse'. Lancashire needs a strong voice to influence the debate.

- A focus for driving economic growth. When new funding arrangements for Local Government are fully implemented, councils will be reliant on business rates to fund services. A Combined Authority and the potential additional investment, offers the strongest way to impact on our business rate.
- An opportunity for councils to influence and shape the work of the LEP and the funding streams which the Government distributes through the LEP. The Scheme of Governance sets out that the Combined Authority would include local authorities and the LEP within its governance structure.
- An opportunity to influence and contribute to a ‘Lancashire Plan’ on economy, skills, development and shape how Lancashire’s priorities and investments are decided.
- An opportunity to influence what the strategic transport priorities are locally, across Lancashire and at a regional level and provide a strong voice for Lancashire in shaping the priorities for the Transport for the North.
- An opportunity to share capacity, expertise and experience in a co-ordinated way.
- An opportunity to work collectively on the challenge of delivering sustainable public services in the future.
- An opportunity to work more closely across Lancashire and within Lancashire building on the City Deal partnership approach.

5.6 The Lancashire Combined Authority will operate within a Scheme of Governance. In summary these arrangements are:

Membership	Local authorities in Lancashire, represented by Leader.
Voting arrangements	One vote per each local authority (excl transport).
Decision making	Unanimous agreement on strategic plans, investment strategy, annual budget, borrowing limits, adoption of freedoms and flexibilities, any changes to CA arrangements. All other decision 2/3 majority. There is no provision for Executive arrangements.
Decision making – transport	Transport planning and investment would be subject to unanimous agreement by three transport authorities.
Overview and Scrutiny	Scrutiny Committee with representation from authorities would be established.
Finance	No member allowances payable. Councils to meet core costs (kept to a minimum).

## **PUBLIC CONSULTATION**

5.7 The Lancashire councils along with the Lancashire LEP have recently undertaken a public consultation exercise. A summary of the response to the consultation is appended to this report for information. To ensure an independent, robust and coordinated approach the councils in Lancashire commissioned Infusion Research to undertake the consultation.

5.8 The consultation was held from 11th January to 19th February 2016. Promotion of the consultation reached an estimated 444,000 people and over 15,000 people visited the consultation website over the six week period. Almost 2000 responses were received.

5.9 Of those respondents 70% strongly or tend to agree with the proposal to establish a Combined Authority for Lancashire. Of those who disagreed with the proposal, the main concern appears to be around where any resources would be focused and any adverse impact on local services.

### **DEVOLUTION**

5.10 In developing the Combined Authority, Lancashire Leaders have been considering devolution proposals which could enable greater control, power and influence over a range of programmes and funding delivered in Lancashire. These include devolved funding for strategic transport and development; influence and/or control over employment and skills programmes and delivery; housing; growth funding and aligning investment activity.

5.11 Whilst there is a close link between Combined Authorities and devolution deals with the government, it is important to note that they are separate issues and subject to negotiation. A devolution deal would need the agreement of the constituent members of the Combined Authority.

### **NEXT STEPS**

5.12 This report seeks the agreement of the council to become a constituent member of the Lancashire Combined Authority and signals to the Government that the authorities are committed to working together for a better Lancashire. A similar report is going to other councils throughout March and April. Subject to council decisions, a proposal to form a Lancashire Combined Authority will be submitted to the Government for consideration and negotiation.

5.13 In the interim period, it's recommended that the local authorities operate as a shadow Combined Authority using the guiding principles set out in the Scheme of Governance from July 2016.

### **FINANCIAL IMPLICATIONS**

5.14 Officer resources have been made available by some authorities in supporting the Combined Authority development on an 'in kind' basis and it is envisaged that this will continue. At this stage there are no financial implications.

5.15 As per the Scheme of Governance for the Combined Authority, approval of the annual budget including decisions on any levies, precepts or other demands for financial contribution from constituent authorities is subject to unanimous agreements by the constituent members.

### **LEGAL IMPLICATIONS**

5.16 The powers to establish a Combined Authority are contained within the Local Democracy, Economic Development and Construction Act 2009 ("the Act") and The Cities and Local Government Devolution Act 2016.

5.17 A constitution for the Combined Authority will also be developed. The Council's own constitution will also be reviewed and any necessary amendments will be made.

5.18 A parliamentary order is needed to establish a Combined Authority.

### **COMMENTS FROM STATUTORY OFFICERS:**

#### **6. SECTION 151 OFFICER**

6.1 Officer resources have been made available by some authorities in supporting the Combined

Authority development on an 'in kind' basis.

6.2 At this stage there have been no direct financial implications for Council. The agreed Scheme of Governance commits to keeping future costs to minimum for each authority. If additional financial resources were required in the future it would require unanimous approval of all members of the combined authority.

**7. MONITORING OFFICER**

7.1 The legal implications are covered in the body of the report.

**8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

8.1 Briefings and updates have been provided to members to support them in their decision making around the Council's involvement relating to a Combined Authority.

8.2 Public Consultation is detailed at 5.7 to 5.9.

**9. CONCLUSION**

9.1 A Combined Authority is a formal arrangement which supports and enables collaboration and co-ordination between two or more local government areas on transport, regeneration and economic growth as well as skills, housing and employment. Each of the councils who are members of a combined authority remain separate authorities; the combined authority is a mechanism to work more effectively and formally in partnership. Joining the Lancashire Combined Authority does not prevent the council becoming an associate member of another combined authority in the future.

Background Papers	
Document	Place of Inspection
Consultation summary	Council offices