

COUNCIL

TUESDAY, 11TH APRIL 2017, 6.30 PM
COUNCIL CHAMBER, TOWN HALL, CHORLEY

I am now able to enclose, for consideration at the above meeting of the Council, the following background paper.

Agenda No	Item	
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10	UPDATE ON THE COMBINED AUTHORITY FOR LANCASHIRE	
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(Pages 77 - 86)

The Executive Leader of the Council will give a verbal update.

The enclosed document is background information to the verbal update.

GARY HALL
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Council

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DRAFT

THE LANCASHIRE PLAN: Our Commitment to Work Together

IMAGES

FOREWORD

In June 2016 Lancashire councils submitted a request to the Government to form a Lancashire Combined Authority. This move signalled a decisive shift to work collaboratively across the County area in order to deliver better outcomes for residents and businesses, create higher growth and productivity, raise attainment and aspirations, and play a key role in the Northern Powerhouse. Since July 2016 Lancashire has had new governance structures in place in the form of a shadow Combined Authority.

We continue to await confirmation from Government of their commitment to our Combined Authority proposals. In the meantime, Lancashire councils remain committed to collaborative working and will continue to work as a strong and effective partnership and press for devolved powers, funding and flexibilities for Lancashire.

We believe that the strong partnership arrangements we now have in place demonstrates our commitment and drive to improve Lancashire and provides the confidence to the Government that we are ready to cement a new relationship between Central Government, Local Government and public sector partners.

The Lancashire Plan, and our commitment to work together, is centred on five core themes.

- **Prosperous Lancashire**
Where Lancashire is recognised as place of opportunity for all and a destination of choice, to do business in, live or visit.
- **Connected Lancashire**
Where Lancashire possesses the digital and transport infrastructure and connectivity to promote inclusive growth.
- **Skilled Lancashire**
Where Lancashire creates the skilled workforce which can meet the demands of employers and future business growth, and deliver economic inclusion for its population.
- **Better Homes for Lancashire**
Where Lancashire has a wide housing offer that supports economic growth and enables all its residents to enjoy good living standards in good quality homes.
- **Public Services Working Together for Lancashire**
Where Lancashire delivers integrated public services at the heart of local communities, giving everyone the opportunity for a healthier life.

Each of these themes is now underpinned by schemes of work, and delivery and action plans. These include a refreshed Strategic Economic Plan and a refreshed Employment and Skills framework, both of which are being developed in partnership with the Lancashire Local Enterprise Partnership (LEP); development of a Single Local Transport Plan for Lancashire; development of proposals for collaborative arrangements for housing delivery; development of a Lancashire digital strategy.

LANCASHIRE'S PROFILE

Lancashire is a diverse area with a population of 1.5 million people, it has one of the largest local economies in the North of England with 50,000 businesses generating almost £28 billion per year, supporting 700,000 jobs. In addition to major international companies including BAe Systems and Rolls Royce, it has significant groups of dynamic and innovative SMEs.

Lancashire's business base is diverse and successful providing an excellent platform on which to build. A leading national and international role in relation to aerospace, advanced engineering, manufacturing and the energy sector, the area is number 1 in the UK for aerospace with 500 supply chain companies and the 4th largest aerospace cluster in the world. It is home to four Enterprise Zone sites – Blackpool airport, Salmesbury, Warton and Hillhouse. In addition key strategic employment sites are becoming available for development along Lancashire's motorway network – M6, M61 and M65. Further support and investment is needed to accelerate this growth and unlock sites.

Bordering the North's two biggest city regions – Greater Manchester and Leeds and other neighbours such as Liverpool City Region, Cumbria and North Yorkshire, Lancashire is well placed to contribute to sustainable economic growth and to play a full part in the Northern Powerhouse.

However, Lancashire is also home to a number of pressing socioeconomic challenges, flowing from decades of economic restructuring. Significant parts of urban Lancashire contain entrenched areas of deprivation, with a mixed picture of low skills, low wages, poor health and pockets of generational benefit dependent communities being a major contributing factor. There is an urgent need to develop skills levels up to and beyond NVQ3. Schools attainment at KS4 is mixed. On average the Lancashire-12 authorities and Blackburn with Darwen compared favourably regionally and nationally in achieving five or more GCSE grades A*-C including English and Maths. However, areas such as Blackpool, Burnley and Pendle have some schools where performance is significantly below average.

A range of indicators reveal a number of problems concerning the health of people in Lancashire. The most important, life expectancy, continues to improve across all parts of Lancashire but in some of the Lancashire local authorities, male and female life expectancy at birth rates are amongst the worst in England and Wales. Health profiles are closely aligned to deprivation levels, with, in some cases, people from Lancashire's most deprived communities having a life expectancy of 6 years less than the most affluent. Despite this, the employment rate is increasing and the number of residents in receipt of out of work benefits has almost halved over recent years.

LEP INFOGRAPHICS

For further information about Lancashire's profile please visit.....

LANCASHIRE'S POTENTIAL

The Independent Economic Review commissioned by northern Leaders and LEPs in 2016 identified four 'prime capabilities' as drivers of net growth for the Northern Powerhouse:

- Advanced manufacturing – with a focus on materials and processes
- Energy – in particular generation, storage and low carbon technologies
- Health innovation – including life sciences, medical technology and service delivery
- Digital – with a focus on computation, software design, data analytics, simulation and modelling.

Lancashire is in a very strong position to contribute to all of these growth areas, particularly advanced manufacturing and energy and benefit from the Governments' new Industrial Strategy Challenge Fund which will invest in science, research and innovation, including manufacturing and energy technologies.

To help achieve Lancashire's ambitions, the Lancashire LEP has secured £320 million Growth Deal funding, the largest secured outside of the core city regions and is on track to attract £1.2 billion in new private sector investment by 2021. We want to build on this further and secure long term investment for Lancashire where businesses are confident in their long term future, where wage levels are lifted and residents can gain the skills needed to secure local employment.

Lancashire already has a range of initiatives to support economic growth and develop critical infrastructure which will unlock employment and housing sites making areas more attractive to developers and provide a sound base for Lancashire to build upon. Initiatives and opportunities include:

- The **Preston, South Ribble and Lancashire City Deal** addresses the infrastructure issues that will release the economic potential of core locations in central Lancashire through a £340 million Investment and Delivery Programme. This will deliver more than 20,000 net new private sector jobs and £2.3 billion in leveraged commercial investment. It has secured a 10 year funding allocation for major transport schemes
- Lancashire has four sites across three **Enterprise Zones (EZ)** – Salmesbury and Warton sites adjacent to BAE Systems operation will focus on the Advanced Engineering and Manufacturing sector; Blackpool Airport EZ and Hillhouse International Energy and Chemicals EZ. The four sites have a strong industrial focus, building on Lancashire's national and international strengths in the aerospace and advanced engineering and manufacturing, energy and chemicals industries. Collectively they will help to create over 10,000 highly productive high value jobs. They will also support the growth of established local supply chains through sector and business growth developments as well as inward investment and trade opportunities.
- Lancashire is well known for its industrial, environmental and coastal **heritage assets** from historic Lancaster to the Fylde Coast and across to East Lancashire where the industrial revolution started. Significant investment is underway with restoration projects across the county funded by the Heritage Lottery Fund and Arts Council including multi-million pound investment in the Leeds-Liverpool canal heritage.
- Lancashire has a thriving **visitor economy** welcoming over 64 million visitors every year contributing £3.8 billion to the local economy and employing 56,000 people. Lancashire is home to Blackpool, which has retained its place as England's most popular seaside destination, famous for its tower, tramway and illuminations. In recent years Blackpool has reversed decades of decline in its visitor economy and is now benefiting from hundreds of millions of pounds of investment in its resort infrastructure to include a tramway extension and 21st century conference facilities with LEP support.

- Support for growth orientated SMEs is being provided through **BOOST**, Lancashire's Growth Hub, which has brought together £40 million of programmes to support high growth companies and Start Ups delivering 2000 jobs .
- **Transport for Lancashire (TfL)**, works with neighbouring transport bodies, including Transport for the North and Government to secure maximum benefit from national transport initiatives, including the development of the Northern Rail Hub, Rail Electrification and HS2, which improve the area's linkages to other major centres of economic growth, including Manchester, London and Leeds. TfL has developed a £325 million investment programme to support a number of **Transport Masterplans** focusing initially on East Lancashire, Lancaster South and West Lancashire. The Masterplans include activity to support Strategic Employment Site and housing development along the Burnley-Pendle Corridor, access improvements in Lancaster linked to the expansion plans of Lancaster University (in addition to the Heysham M6 link), and rail links in Skelmersdale improving connectivity to Manchester and Liverpool.
- Lancashire's £20 million **Growing Places Fund** has invested in eight commercial investments across the county, helped to create almost 3,500 new jobs, 200 new homes and 500,000 square ft of commercial floorspace. Its recycle nature has generated £700,000 interest for the Lancashire LEP to re-invest.
- Lancashire has **four universities** – University of Central Lancashire (UCLAN), University of Cumbria, Edge Hill University and Lancaster University. The growing reputation of our university centres is reflected by the year on year high ranking of Lancaster University which is ranked in the top 10 of the UK's major university league tables and also Edge Hill who won the Times Higher Education award for University of the Year for its achievements in student satisfaction and graduate employment.
- Lancashire's entry onto the Government's **One Public Estate Programme** with a funding award of £530,000. The money has been granted through the joint initiative between the Government and the Local Government Association (LGA). Through this programme public sector partners can bring forward publically owned sites for development and look more strategically at opportunities for co-location of public sector services in Lancashire. The funding provides the opportunity to review public sector land and buildings and dispose of surplus assets, generating revenue for the public sector.
- **Health and Digital Innovation** presents a real opportunity for Lancashire in terms of investment, productivity, prosperity and retaining graduates and directly linking to local health benefits. Information and communications; professional, scientific and technical are both growing sectors in Lancashire and the Government believes digital health will be an important growth area for the economy. The value of digital health to the UK economy is £1.9 billion and this is expected to significantly increase by 2018.

£100 million is being invested in Lancaster University Health Innovation Park and plans have recently been passed for a digital health village in Chorley. The North West is home to one of the largest life science industry clusters in the UK, specifically in medical technology.

- The **Liverpool Super port** presents significant opportunity, particularly to the West of Lancashire offering employment opportunity and upgrades to transport infrastructure. The Super port will enable larger container ships to dock as an alternative to the South coast becoming a core port in the EU network. Over 20,000 jobs are forecast to be created over the next 10 years. The Super port will have a positive impact for Lancashire's manufacturing base with companies ready to explore the global market and contribute to the UK exports.
- The **neighbouring city regions** of Manchester and Liverpool are set to outperform international cities such as Berlin and Tokyo in jobs growth. Over the last five years both cities reported the largest jobs growth in the UK. Lancashire is ideally placed to connect to these city regions with direct train routes from some of the main towns and close proximity to the M6, M61, M66 and M58.

LANCASHIRE'S AMBITION

We have a long term vision for Lancashire which sees the County as a thriving and more balanced economy. Our vision includes a County area that is well connected digitally and with strong highways networks across the region. It is a Lancashire that attracts inward investment, drives innovation and contributes to increasing national productivity which will have positive health and wellbeing benefits throughout the county.

Parts of Lancashire are already thriving and we want to deliver a Lancashire where all parts of the county have a share in its' rising prosperity. In order to achieve this we have agreed five strategic themes that capture and explain our ambition:

SKILLED LANCASHIRE – Lancashire will have a skilled workforce to meet the demands of employers and future business growth.

We want to create a workforce with sufficient skill levels to meet the current and predicted needs of employers and aspirations to achieve higher.

We want greater control over the skills budgets to align funds with local needs.

We will work closer with early years/schools to improve educational attainment being above the national average in all parts of Lancashire.

We will deliver the education 'Opportunities Area' pilot in Blackpool and seek to extend the pilot to other areas in Lancashire where educational attainment levels are significantly below average.

We will develop local models of co-ordinated Career Education, Information, Advice and Guidance activity with national organisations and supported by employers.

We will ensure Lancashire has a sustainable and affordable FE/6th Form infrastructure which meets the needs of Lancashire's employers.

We will establish a cross sector Commission with representation from education, health and business to drive improvements in educational performance in Lancashire and seek inclusion in the Northern Powerhouse Schools Strategy.

We will work with the Department for Work and Pensions and future prime (and sub) contractors to influence the design and delivery of the Work and Health Programme to help those, particularly long term claimants of Employment and Support Allowance, get back into the workplace.

We will work with employers to increase apprenticeship take-up, including degree level apprenticeships; increase retention of graduates and increase leadership and management capacity.

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BETTER HOMES FOR LANCASHIRE - Lancashire residents to have better living standards with good quality homes and a wide housing offer.

We will develop housing market growth proposals together with the LEP linked to suitable funding programmes to enable and accelerate housing delivery. We will also explore new mechanisms to enable housing renewal programmes across the County, including reducing the number of longer-term empty properties.

We will seek local control of Housing Benefit, to be initially trialled in inner Blackpool, in order to tackle failure in the private rented sector and be used as a lever to incentivise private landlords to improve housing conditions.

We will work to link housing benefit payments to required housing standards including the Decent Homes Standard and energy efficiency ratings.

We will seek to secure Garden Village status in Hyndburn and, subject to the review of the local plan West Lancashire.

We will ensure that housing growth and developments are linked to infrastructure and services such as education and local services even when these cross existing administrative boundaries.

We will work to ensure there is sufficient affordable housing opportunities across the county.

We will work with social housing providers to make investments in their existing estates through links to economic investment plans and new models of public service delivery.

We will develop new incentives for landlords to invest in better accommodation and services to tenants.

We will ensure there is an adequate supply of housing land to achieving housing growth and quality, desirable homes to attract and retained skilled residents and to balance growth across Lancashire.

CONNECTED LANCASHIRE – Lancashire will have world class digital infrastructure and transport connectivity.

We will seek to adopt a Single Transport Plan for Lancashire and secure a consolidated multi-year transport settlement to support its delivery.

We will make policy and investment decisions on digital, highways and transport connectivity locally in a bespoke way which is sensitive to local conditions and opportunities.

We want to channel all central government funding for transport through a single local pot in response to a commitment to fully integrate transport planning within Lancashire.

We want greater influence on rail franchising and other transport services, through and beyond the scope offered by Transport for the North and discussions around HS2 and HS3 and future electrification.

We will adopt a strategy for future digital infrastructure ensuring all residents are able to access the benefits of improved digital connectivity.

We will be a significant player in Transport for the North and the Northern Powerhouse.

We will overcome the barriers that exist in planning in two-tier systems so that Lancashire is seen by developers and agencies as a good place to work with.

We will develop a pipeline of transport and digital schemes that mean we can be ready to go whenever opportunities arise.

PROSPEROUS LANCASHIRE - Lancashire will be recognised as a destination of choice, to invest in, do business in, live or visit.

We will work with the Government to develop a Lancashire Growth and Productivity Investment Fund to deliver Lancashire's priorities.

We will seek to secure maximum flexibility to manage current and future Growth Deal programmes and other future funding streams.

We will work with the Government to secure a successor programme to EU funding and co-design future funds targeted at active inclusion, labour market mobilisation and skills for growth.

We will work with the Lancashire LEP to ensure it continues to deliver economic growth in Lancashire and plays a key and influential role with ministers and civil servants to put Lancashire at the heart of UK Plc growth

We will ensure that the LEP positions Lancashire's wider economic importance to the delivery of national growth objectives such as Northern Powerhouse as well as in closing productivity gaps in key sectors such as advanced manufacturing.

We will establish a strong pipeline of strategic development schemes/proposals to ensure we can quickly capitalise on any future investment programmes.

We will ensure that Lancashire's agreed growth priorities are fully reflected in local planning, skills and strategic transport frameworks.

We will simplify and co-ordinate local business support provision.

We will seek to work with the Department for International Trade to support Lancashire's 1,000 mid-sized companies to establish an international trade programme to enhance and extend their capacity and capability to export and trade in global markets.

'PUBLIC SERVICES WORKING TOGETHER FOR LANCASHIRE' - Lancashire will have integrated public services at the heart of local communities giving everyone the opportunity for a healthier, happier and longer life.

We will work together to reform the way public services are delivered through more collaborative working and shared services and functions so that local authorities in Lancashire can become self-fincancing.

We will have a fit for purpose Lancashire Public Service Board that will provide shape and drive forward integration of public services and public sector reform.

We will ensure there is greater integration between health and social care where all health and care commissioners and providers would be held accountable with an expectation of working together to address key priorities which are relevant to the whole of Lancashire.

We will work with the Lancashire Health and Wellbeing Board to deliver whole system leadership and transformation to deliver the best possible outcomes for residents.

Through our One Public Estate programme with the Government we will rationalise and release public sector assets and land, generating income and co-locating multi-agency services where appropriate.

MAKING IT HAPPEN

Lancashire councils have built a very strong relationship, recognising that administrative boundaries and political differences must be set aside to support developments and investments across the county to the benefit of all of Lancashire's residents and businesses.

The ambition we have expressed in this Plan is ambitious but deliverable and will require commitment from local authorities, the Lancashire LEP, Further and Higher Education providers, Government Departments such as Treasury, Department for Transport, Homes and Communities Agency, Department for Communities and Local Government, Department for Business, Energy and Industrial Strategy, as well as NHS England and other health partners, police, fire and rescue service, LGA and the Government Property Unit.

We already know what Lancashire's strategic opportunities and challenges are, and have a wide range of robust evidence base to utilise. Our focus is now on actions and delivery. We have good governance arrangements in place with the Lancashire councils establishing a new relationship and working with the LEP, alongside local partnerships such as PLACE (Pennine Lancashire); Blackpool, Fylde and Wyre EDC; Growth Lancashire; City Deal Executive and a refreshed Skills and Employment Board

Local Government in Lancashire is in a strong position to shape public service delivery ensuring their future sustainability. Given the strains on health and social care provision, integration is a priority for the Government. Lancashire has already developed a joint approach and worked with health colleagues to shape the Lancashire and South Cumbria Sustainability and Transformation Plan (STP). In addition we have a new pan-Lancashire Health and Wellbeing Board which is underpinned by five Local Delivery Partnerships, an independently chaired Joint Committee of Clinical Commissioning Groups and a new Lancashire Public Service Board and Property Board to further strengthen the collaboration across the public sector.

We have a number of plans, strategies and agreements in place such as the Preston, South Ribble and Lancashire City Deal, the Pennine Lancashire Growth and Prosperity Plan, the Blackpool and Fylde Coast Framework for Inclusive Growth and Prosperity, the LEPs Strategic Economic Plan, the Employment and Skills framework all of which outline evidence, ambition and the tools needed for delivery.

This Lancashire Plan does not replace these, but is intended to provide strategic direction and co-ordination across Lancashire to ensure the county as a whole is globally competitive, but equally provides the right opportunities for people locally.