

Report of	Meeting	Date
Deputy Chief Executive	Council	21 July 2020

COMBINED AUTHORITY FOR LANCASHIRE

PURPOSE OF REPORT

- To set out an update on discussions about a combined authority for Lancashire.

RECOMMENDATION(S)

- That the council confirms in principle to becoming a constituent authority of a Lancashire Combined Authority, subject to its final agreement to the final arrangements
- That the council confirms its willingness to the inclusion of a directly elected mayor in a devolution deal for Lancashire, subject to its final agreement to the final arrangements
- That the council reaffirms its view that local government reorganisation is needed to create sustainable public services and best serve the residents of the borough.

EXECUTIVE SUMMARY OF REPORT

- The creation of a combined authority for Lancashire has been discussed a number of times over the past five years. The government continues to favour combined authorities as vehicles for devolving additional powers and directing funding, and so the local authorities in Lancashire have recommenced those discussions.

Confidential report Please bold as appropriate	Yes	No

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	✓
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

- Chorley Council was an early advocate for significant change to local government structures. The council undertook considerable work during 2015 to investigate the challenges facing public services and develop future governance models for public services.

8. At that time, and periodically since, there have been discussions within Lancashire about the establishment of a Combined Authority for Lancashire. These discussions have recently been revisited by the group of Lancashire council Leaders.

COMBINED AUTHORITY FOR LANCASHIRE

9. The council has already considered the potential formation of a combined authority. The council initially agreed that it was willing to become a constituent member of a Lancashire combined authority in November 2015. Following work to develop more detailed proposals, the council confirmed its support for the creation of a combined authority at its April 2016 meeting. The papers presented to full council at that time are set out in the background papers at the end of this report.
10. A Combined Authority is a legally constituted body whereby a group of local authorities agree to work together, ceding specific powers to that authority to deliver them across the area. The creation of combined authorities in other areas have been closely associated with devolution deals where the government has provided additional funding and powers to areas to promote economic growth and public service reform.
11. The government has strongly indicated that it will direct additional funding and additional powers into local areas through combined authorities. Therefore, without a combined authority, Lancashire over time is likely to suffer in terms of the ability to access funding and drive economic growth combined to neighbouring areas such as Greater Lancashire and the Liverpool City Region.
12. Following discussions at the Lancashire Leaders group, councils have been asked to confirm their position and whether they support the creation of a combined authority.

DIRECTLY ELECTED MAYORS

13. The government has also indicated that if it is to agree devolution deals and additional funding with significant transfers of powers, there need to be changes to governance arrangements. The first area of change relates to the creation of directly elected mayors. The government believes that this is necessary to provide strong local leadership that is democratically accountable. It does not view that this achieved solely through the constituent authorities.
14. There are a number of models that have been used in different areas across the country, with Mayors having different powers within the combined authorities. These roles have been negotiated as part of the wider devolution deals and establishment of combined authorities.
15. Cornwall is the only area of the country where a devolution deal has been agreed without a directly elected mayor. That devolution deal, however, is significantly more limited and the government has indicated that it is unlikely that further deals will be agreed without directly elected mayors.
16. Lancashire Leaders have asked that councils indicate whether they are willing for a directly elected mayor to be included in any negotiations for a combined authority and devolution deal.

LOCAL GOVERNMENT REORGANISATION

17. The second area of governance arrangements that the government would be expected to ask to be considered as part of the establishment of a combined authority and devolution deal is the creation of unitary local government.
18. The government has made clear that they plan on introducing a new White Paper on devolution and local recovery in the autumn, and that it expects that it will include the creation of more unitary authorities.
19. In his message to the LGA conference this month, the Minister for Regional Growth and Local Government explained that the government's view is that the creation of more unitary authorities would reduce complexity and reduce costs, while making the link to devolution.
20. While it is not clear what form local government reorganisation in Lancashire might take, and there are likely to be different proposals, the government has outlined some requirements for new unitary authorities. They include that proposals should:
 - improve the area's local government;
 - command a good deal of local support across the area; and
 - cover an area that provides a credible geography for the proposed new structures, including that any new unitary council's population would be expected to be in excess of 300,000
 - that proposals should not lead to the creation of more Directors of Adult Social Care or Directors of Children's Services
21. Lancashire Leaders have asked that councils indicate whether they are willing to consider changes to local government structures as part of any devolution deal.

IMPLICATIONS OF REPORT

22. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

23. The council's strategic risk register identifies the financial challenges facing public services (including local authorities) as a key risk, and the ability of the council to work with its partners to deliver its priorities. It is therefore important that the council is clear about its position on these key matters.

COMMENTS OF THE STATUTORY FINANCE OFFICER

24. No comments

COMMENTS OF THE MONITORING OFFICER

25. No comments

CHRIS SINNOTT
DEPUTY CHIEF EXECUTIVE

Background Papers

Document	Date	File
Development of a Combined Authority for Lancashire – report to Council	24 November 2015	https://democracy.chorley.gov.uk/documents/s59165/Development%20of%20a%20Combined%20Authority%20for%20Lancashire.pdf
Lancashire Combined Authority – report to Council	12 April 2016	https://democracy.chorley.gov.uk/documents/s63660/Lancashire%20Combined%20Authority.pdf

Report Author	Ext	Date
Chris Sinnott	5337	8 July 2020