

Report of the Head of Paid Service/Director:
Outcomes

Item Number:
Date: 4 December 2023

NORTH LINCOLNSHIRE COUNCIL

LEADER OF THE COUNCIL

TO CONSIDER AND APPROVE A DEVOLUTION PROPOSAL FOR GREATER LINCOLNSHIRE AND COMMENCE CONSULTATION ACTIVITIES

1. OBJECT AND KEY POINTS IN THIS REPORT

1.1 This report asks the Leader of the Council to -

- approve the terms of a proposed devolution deal for Greater Lincolnshire,
- approve a draft proposal for the creation of a new Greater Lincolnshire Combined County Authority to give effect to the devolution deal, and
- approve the carrying out of a public consultation on the Proposal in accordance with the arrangements proposed in paragraphs 2.26 to 2.30 of the report and in the Appendix C to inform a later decision whether the Council should submit a formal proposal to the Secretary of State under the Levelling Up and Regeneration Act 2023 for the creation of a Greater Lincolnshire Mayoral Combined County.

2. BACKGROUND INFORMATION

2.1 Devolution provides an opportunity to seek the transfer of a range of powers and budgets from Government that can be targeted to local need, used to boost growth in the local economy and level up communities. It also provides the opportunity for some current local authority powers to be exercised on a wider footprint.

- 2.2 Across the country, devolution is moving important choices about local investment, infrastructure and training from Government to local decision makers. Significant devolution arrangements already exist in core cities like Manchester, Sheffield and Birmingham and more recently new devolution deals have been developed with neighbouring areas including Nottinghamshire, Norfolk, East Riding and Kingston upon Hull.
- 2.3 The levelling up white paper sets out the Government's ambitions to expand devolution across England by 2030. It set out three levels of devolution, with the maximum levels of devolved power and funding only being available to areas that put in place the strongest governance and accountability arrangements.
- 2.4 The white paper has now been enshrined in legislation through the Levelling Up and Regeneration Act 2023 and provides a framework for devolving powers to local economic geographies.
- 2.5 Councils and businesses in Greater Lincolnshire have a strong history of working together and collaborating to tackle common challenges that can hold back growth. There are a multitude of projects already underway across Greater Lincolnshire and many of our communities have benefited from investment through the Towns Fund and UK Shared Prosperity Funding.
- 2.6 However short-term funding pots are not sufficient to achieve strategic change for the people that live and work in Greater Lincolnshire. Councils in Greater Lincolnshire have been working collaboratively to secure devolution for our area, to deliver the leadership required to address unique long-term challenges across Greater Lincolnshire, maximise the area's opportunities to deliver future prosperity and to ensure that Greater Lincolnshire's residents and businesses do not miss out or fall behind other areas.
- 2.7 In December 2022 the three upper tier councils of Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council, agreed to engage with government officials to secure a level 3 devolution deal for Greater Lincolnshire on the basis of the devolution prospectus *Devolution Greater Lincolnshire: Growth | Energy | Food*. The prospectus set out the Councils' aspirations to achieve the greatest benefits of devolution for Greater Lincolnshire and options to enhance governance arrangements through the creation of a new organisation – a Combined County Authority, chaired by a directly elected Mayor.
- 2.8 Through extensive negotiations with government departments, the upper tier councils of Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council secured an ambitious £750 million devolution deal with government on 22 November 2023.

2.9 The devolution deal sets out the areas of common ground between the ambitions in the Greater Lincolnshire Prospectus and the powers and budgets available for devolution from the Government at this time, this includes:

- A Mayoral Investment Fund of £24 million per annum for 30 years to invest in infrastructure and skills development totalling £720m.
- One off £28.4m capital investment in Greater Lincolnshire's priorities.
- £2m capacity funding over 3 years
- £1m skills for job funding
- Local control over the Adult Education Budget from 2026
- A consolidated, multi-year transport fund, providing increased financial certainty

The Greater Lincolnshire devolution deal is attached as Appendix A to the report and the Leader of the Council is asked to approve the Deal by way of ratification to meet the government's expectations.

2.10 Following the conclusion of the devolution negotiations and in order to make the deal a reality it will be necessary for Greater Lincolnshire to initiate a statutory process to create a Combined County Authority to which the powers and funding identified in the deal will be devolved.

2.11 The first stage in this process is to develop a devolution proposal. The proposal document builds on the deal to set out how devolved powers and funding will be used to improve economic, social, and environmental wellbeing for some or all people who live and work in the area. The proposal document is a formal part of the statutory process for the creation of a Combined County Authority.

2.12 This document, would then be consulted on with the public in Greater Lincolnshire. Subject to the results of the consultation and a further decision by each of the upper tier councils, a finalised proposal document would be submitted to Government to initiate the process for the making of secondary legislation to establish the Combined County Authority and devolve the powers and funding to Greater Lincolnshire. The draft of a proposal for proposed consultation is attached at Appendix B to the report.

A Proposal for a Combined County Authority and Devolution to Greater Lincolnshire

- 2.13 The devolution proposal has been developed from an agreed policy backdrop. The 10 local councils across Greater Lincolnshire have a shared vision for the future, to realise the potential of the Greater Lincolnshire economy to benefit the people who live and work here.
- 2.14 The proposal would unlock significant long-term funding and give local leaders greater freedom to decide how best to meet local needs and create new opportunities for the people who live and work in Greater Lincolnshire.
- 2.15 The proposal sets out how local councils, business, government and education working together can address long term challenges and deliver on economic opportunities across Greater Lincolnshire through:
- Local decisions and long term investment in infrastructure to turbo charge business growth and tackle low business productivity, particularly in key sectors that create high wage, high skills jobs that boost living standards
 - Long term strategic planning and investment to protect our environment and unlock high quality housing in our communities that meets the needs of a younger workforce and supports those in later life.
 - Local commissioning of high quality skills, training and pathways to attract and retain younger workers, meet the significant skills needs of our key industries and capitalise on economic opportunity through better alignment of skills, employment, and career opportunities across Greater Lincolnshire
 - A stronger voice regionally and nationally to make the case for more investment on Greater Lincolnshire's priorities including the UK Food Valley, energy, ports and logistics, delivering on the potential of the area from the Humber to The Wash.
 - Managing water as an asset, to mitigate the threat of coastal erosion and flooding, and meet the area's unique demands for water to support growth in agriculture and innovations in manufacturing and carbon capture.
- 2.16 Many of the areas benefitting from devolution have gone on to negotiate additional deals with the Government that build on their initial success. If the proposal is supported, the upper tier councils would seek further devolution in the future and a number of additional areas where this could be achieved are set out in the proposal.

Formalising how we work together – a combined county authority

- 2.17 Local Councils already work collaboratively across Greater Lincolnshire. The proposal would see greater responsibility being passed from Government making it necessary to formalise these arrangements and to make them open and accessible.
- 2.18 This would be achieved through the creation of a Mayoral Combined County Authority in 2024 which would provide greater coordination, visibility and transparency for work across Greater Lincolnshire. It would enable focus on the things that will make the biggest difference to the lives of residents and the businesses within Greater Lincolnshire.
- 2.19 A mayor would be elected by residents in 2025 and work with the members of the proposed Combined County Authority to deliver the purpose and outcomes set out within the proposal. They would establish strong relationships with businesses, skills providers and other stakeholders to understand and address local challenges. They would also act as a champion for Greater Lincolnshire at regional and national levels, ensuring that our voice, and our needs are heard in Government.
- 2.20 Upper tier councils have worked collaboratively with the City, District and Borough councils and the two police and crime commissioners to develop governance arrangements for a proposed Combined County Authority. These arrangements would ensure transparency of decision making, effective collaboration between all parties and a strong local voice.
- 2.21 The majority of proposed powers and budgets would transfer to the Combined County Authority, with a small number of powers vested in the mayor. The proposed governance arrangements would see the three constituent (upper tier) authorities having voting rights on all matters, with an intention that representatives from City, District and Borough councils are given voting rights on most things.
- 2.22 Section 4 of the proposal document in Appendix B sets out the proposed governance arrangements in more detail and the proposal document also includes a powers table which is indicative of the functions that will be conferred on the Combined County Authority and how they will be exercised by the Combined County Authority.
- 2.23 Importantly the proposal is not about reorganising what is already in place and will not involve merging or reorganising local councils. The Combined County Authority would replace the Greater Lincolnshire Local Enterprise Partnership. It would be a small strategic body overseeing the effective delivery of growth priorities, working collaboratively with local councils and other stakeholders to improve outcomes for Greater Lincolnshire and ensure joined up decision making.

Process for devolution to Greater Lincolnshire

2.24 The Levelling Up and Regeneration Act 2023 sets out the formal, legal process that must be followed in order to establish a Mayoral Combined County Authority and for powers and budgets to be devolved. This includes the Secretary of State assessing the proposal against a number of statutory tests before deciding whether to accept the proposal. These tests require that before making legislation that would establish the Combined County Authority, the Secretary of State must consider that:-

- to do so is likely to improve the economic, social and environmental well-being of some or all of the people who live or work in the area,
- to do so is appropriate having regard to the need (i) to secure effective and convenient local government, and (ii) to reflect the identities and interests of local communities, and
- its establishment will achieve the purposes specified by the constituent councils in the proposal.

The proposal is considered to contain the necessary information to enable the Secretary of State to conclude that these tests have been met.

2.25 If the proposal is accepted it will form the basis from which the Secretary of State will develop a draft Statutory Instrument which will be submitted to the Council for approval before the Combined County Authority is established in law. The proposal document therefore differs from the deal document. While the deal document records the devolution offer the government has made to the constituent councils and the shared purposes of the constituent councils in agreeing that offer, the proposal document contains the detail on those matters covering the functions and powers to be conferred and the workings of the Combined County Authority which will be included in the Statutory Instrument. Further detail will be contained in the Combined County Authority's constitution which is a matter for the Combined County Authority.

2.26 As part of this statutory process a formal consultation must be undertaken on the devolution proposal. Subject to the necessary decisions being in place, it is intended that this activity will formally commence on 4 December 2023 for Lincolnshire County Council and North East Lincolnshire Council and for North Lincolnshire Council at the point that their decision becomes effective in accordance with their Constitution. The consultation will end on 29 January 2024. The consultation questionnaire will be available both digitally and in paper format and be accessible from a range of partner locations. Easy read materials will also be available.

- 2.27 The opportunity for the public to have their say will be amplified throughout the consultation period through direct messaging, email, social media, and traditional media. Residents and businesses will be able to learn about the devolution proposal through a range of documents and associated press releases before filling in the survey. Consultation activity will include:
- 18 face to face public engagement sessions held across Greater Lincolnshire
 - A series of stakeholder engagement events with the education, voluntary and community sectors, business and partners
 - Targeted efforts to reach those with protected characteristics and/or seldom heard groups by working with representative organisations, groups and use of established forums.
 - Consultation literature and response forms available in libraries and other public buildings.
- 2.28 The consultation will be hosted on the Lincolnshire County Council Let's Talk consultation platform. This will enable the three upper tier councils to receive regular feedback on public opinion, and for consultation engagement plans to be reviewed on a regular basis to seek a representative response.
- 2.29 Following completion of the consultation period, Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council will review the consultation findings and consider appropriate amendments to the proposal document. This will be examined further through each council's governance arrangements before a decision is made for whether to ask the secretary of state to lay the statutory instrument to secure devolution for Greater Lincolnshire.
- 2.30 The case of. R v London Borough of Brent ex parte Gunning [1985] 84 LGR 168 established the principles for a lawful consultation, namely:
- Proposals are still at a formative stage - A final decision has not yet been made, or predetermined, by the decision makers.
 - There is sufficient information to give 'intelligent consideration' - The information provided must relate to the consultation and must be available, accessible, and easily interpretable for consultees to provide an informed response.
 - There is adequate time for consideration and response- There must be sufficient opportunity for consultees to participate in the consultation. In the absence of a prescribed statutory period, there is no set timeframe for consultation, though it is considered that the proposed consultation period is sufficient in this case. The adequacy of the length of time given for consultees to respond can vary depending on the subject and extent of impact of the consultation.

- 'Conscientious consideration' must be given to the consultation responses before a decision is made. Decision-makers should be able to provide evidence that they took consultation responses into account.

Legal advice has been received that the consultation process and documents set out at Appendix C meet the requirements of a lawful consultation subject to conscientious consideration being given to the results before further decisions are taken.

3. OPTIONS FOR CONSIDERATION

3.1 The Leader of the Council is asked to consider the following options:

- a. Approve the draft proposal for the creation of a new Greater Lincolnshire Combined County Authority to give effect to the devolution deal and approve the carrying out of a public consultation on the Proposal to inform a later decision whether the Council should submit a formal proposal to the Secretary of State under the Levelling Up and Regeneration Act 2023 for the creation of a Greater Lincolnshire Mayoral Combined County Authority from May 2025.
- b. Not to approve the draft Proposal. This is not recommended because to allow for the maximum amount of devolved powers and funding (a "Level 3" deal), the legislation requires that a Mayoral Combined County Authority must be established in the area. There is no guarantee that a devolution deal and the associated funding would be available to the area in the same way in the future.
- c. Not to consult upon the Proposal or to delay consultation. Neither of these options is recommended as failure to consult would mean that a key requirement of the Levelling up and Regeneration Act not being met and that the Proposal could not be put forward to Government, preventing the delivery of the significant additional funding and powers that devolution and the creation of the Greater Lincolnshire Combined County Authority would bring.

The timeline to create a Mayoral Combined County Authority by Mayoral elections in May of 2025 requires a consultation on the Proposal to be completed by early 2024. Any delay would not allow for the area to meet this timeline.

4. ANALYSIS OF OPTIONS

- 4.1 In December 2022 the three upper tier councils of North Lincolnshire Council, Lincolnshire County Council, and North East Lincolnshire Council, agreed to engage with government officials to secure a devolution deal for Greater Lincolnshire, agreed in principle for devolution to a mayoral county combined authority for Greater Lincolnshire and for continued engagement with key stakeholders to put Greater Lincolnshire in as strong a position as possible to secure a deal.
- 4.2 A devolution deal for Greater Lincolnshire has now been secured. This report sets out the steps required to implement the deal and to progress the process for creation of a Combined County Authority covering North Lincolnshire, Lincolnshire and North East Lincolnshire in accordance with the Levelling-Up and Regeneration Act - as the only mechanism for delivering on that deal.
- 4.3 The recommendations enable the upper tier councils to progress the next stages of the process including ensuring that appropriate consultation is undertaken, and comments are sought from stakeholders and are considered prior to consideration of approval of a final Proposal for submission to Government.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1 The creation of the Greater Lincolnshire Combined County Authority is intended to lead to substantial additional funding being made available to be spent within the combined county authority area on a range of different projects and schemes that will help promote economic growth and improve outcomes for the people who live and work here.
- 5.2 The devolution deal includes initial funding for 2024/25 will be provided by Government towards the cost of establishing the Greater Lincolnshire Combined County Authority as well as ongoing capacity funding in future years.
- 5.3 Supporting the recommendation will enable the three upper tier councils to consult on the Proposal. This includes the provision of legal assurance and analysis of the consultation responses to inform future decision making which will be funded jointly and contained within existing budgets and resourcing.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 An initial draft equality impact assessment (EqIA) has been completed in respect of the Proposal. It is attached as Appendix D and due regard must be given to the implications identified in it. The EqIA will continue to be evaluated and updated as necessary throughout and following conclusion of the public consultation.

6.2 The EqIA shows the wide and varied population of Greater Lincolnshire and that a devolution deal for Greater Lincolnshire can have a positive impact on a wide number of protected characteristics groups in a variety of ways including:

- The proposal will reduce barriers to upskill the local labour force across all age groups and reduce the productivity gap which GL faces nationally.
- The power to be able to innovatively use funding will open more possibilities to direct resources to tackle employment barriers for people with disabilities.
- The impact of being able to adapt and use innovative approaches to funding would mean we could target training to address any imbalance in the workforce in our local industries, as there will be increased opportunities to train.
- There is an opportunity through a more aligned careers service, led by industry, to ensure that there is a greater understanding of which sectors are actively trying to develop a representative workforce.
- Improved digital infrastructure will also give people greater choice and flexibility over how they choose to work in the future and the jobs they can access.
- Improved transport infrastructure will provide GL residents with reliable means of getting from A to B, whether this be to school, work or socially, throughout the region.
- An improved transport system will also give the older generation greater access to healthcare, reduce isolation and improve independence.
- The ambition is to also improve accessibility to public transport for those who currently don't feel it meets their needs and requirements.

6.3 The EqIA also clearly identifies some possible negative implications which will need due consideration before full implementation of the changes that arise as a result of devolution in Greater Lincolnshire including:

- Across many areas, budgets and decisions will move from Government to the Greater Lincolnshire MCCA. Within Employment and Skills for example, no specific decisions have yet been made about where investment will occur to generate employment opportunities or in education and improving skills. It is a possibility that this could inadvertently benefit one group over another. Therefore, due consideration and process must take place prior to implementation of any policy to ensure that this risk is reduced as much as possible.
- When striving to improve digital connectivity there is a risk that those who aren't currently confident with the technology could be left further behind and feel more excluded and subsequently increase the gap that is currently exists. Therefore, it is crucial that this is researched further so that skills gaps can be identified, and people can be signposted to programmes to help them improve their skills to enable people of all ages to realise the benefits of improved digital inclusion.

- 6.4 Public consultation will be used to seek a representative sample of responses to the plans set out within the devolution proposal. A wide range of engagement methods will be utilised to obtain views. This includes a series of public events, direct engagement with representative groups, and extensive information sharing through a wide range of media channels. The feedback from the consultation will be used to review the content of the EqIA and recommend amendments to the proposal where needed.
- 6.5 Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area
- 6.6 The devolution proposal does not include for the transfer of police and crime functions or community safety powers or budgets, but recognises that safer communities are key to the Government's Levelling Up Missions. The proposed Greater Lincolnshire MCCA provides membership for the Police and Crime Commissioners (PCCs) for Lincolnshire and Humberside to reflect their public safety role in the operation of the MCCA and the future prosperity of Greater Lincolnshire.
- 6.7 The devolution proposal includes provisions for the devolution of powers and funding that could be used to "invest to achieve net zero, to drive productivity and to grow jobs and to "invest to take advantage of our unique natural environment in a responsible way, whilst protecting our communities from climate change impact" which are viewed as supportive to the Council's commitment to be a carbon net zero organisation by 2030 and to ensure that the local natural environment is protected, enhanced and self-sustaining.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 n/a

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 Members of the council have been briefed and also the full Council invited to consider and support the contents of this report at its meeting on 4 December 2023. The views of members have been received and reported to the Leader of the Council to inform the decision making.

8.2 Further details of consultation are set out in the substantive body of the report.

9. RECOMMENDATIONS

9.1 That the Leader of the Council: -

- i. approves the devolution deal document attached at Appendix A;
- ii. approves the draft proposal for the creation of a Greater Lincolnshire Combined County Authority attached at Appendix B (“the Proposal”) for the purposes of public consultation in accordance with the Levelling Up and Regeneration Act 2023;
- iii. approves the carrying out of public consultation on the Proposal in accordance with paragraphs 2.26 to 2.30 of the Report and the Consultation document at Appendix C; and
- iv. delegates authority to the Head of Paid Service/Chief Executive to approve any minor amendments to the draft Proposal or consultation arrangements. This delegation is to be exercised in consultation with the Leader of the Council and is conditional upon agreement to such amendments by the other Constituent Councils.

HEAD OF PAID SERVICE/DIRECTOR: OUTCOMES

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Background Papers used in the preparation of this report –

Background Paper	Where it can be viewed
Levelling Up White Paper	https://www.gov.uk/government/publications/levelling-up-the-united-kingdom
The Levelling Up and Regeneration Act 2023	https://bills.parliament.uk/bills/3155
Report to Council December 2022 - A Devolution Deal for North Lincolnshire	Item 6 - A Devolution Deal for North Lincolnshire.docx