

NORTH LINCOLNSHIRE COUNCIL

CABINET

GREATER LINCOLNSHIRE DEVOLUTION – BUSINESS ENGAGEMENT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To brief Cabinet on Central Government policy regarding Devolution policy
- 1.2 To seek Cabinet endorsement for a joint engagement through the Greater Lincolnshire Local Enterprise Partnership with the business community of Greater Lincolnshire seeking their views to help inform potential future policy decisions

2. BACKGROUND INFORMATION

- 2.1 The Cities and Local Government Devolution Act 2016 allowed for the establishment of Mayoral Combined Authorities (MCAs) to provide Combined Authorities (CAs) with strong local leaders with a mandate to deliver local growth.
- 2.2 The devolution deals conducted within the framework of the 2016 Act have used a deal-based approach. They are negotiated bilaterally and each deal is bespoke, with varying powers devolved and varying settlements between the executive authority of the Mayor versus the CA. Greater Lincolnshire did construct a non-Mayoral Combined Authority deal with Government in 2016 but for several reasons did not follow it through.
- 2.3 Mayoral devolution deals have typically included additional investment funding, as well as devolved multi-year transport budgets and bus franchising powers, adult education budget funding, greater local influence over employment support and some strategic planning and regeneration powers. Mayors have received some revenue raising powers too, such as a Mayoral Precept and a business rates supplement.
- 2.4 Since 2017, the Government believe that devolution to MCAs in England has demonstrated the difference empowered local leaders can make. The Government's policy is to widen, deepen and simplify devolution, building on this success and empowering greater numbers of local leaders. For the

general public and businesses, this will mean greater control and clearer accountability over who is responsible for what and more decisions that shape their area being taken.

- 2.5 Within the Levelling Up White Paper a new devolution framework for England is outlined. This framework is designed to create a clear and consistent set of devolution pathways for places, enabling them to widen and deepen their devolved powers subject to meeting certain pre-conditions. The Government's preferred model of devolution is one with a directly-elected leader covering a well-defined economic geography with a clear and direct mandate, strong accountability and the convening power to make change happen. However, because this may not suit all areas, their framework sets out a flexible, tiered approach, allowing areas to deepen devolution at their own pace and with unanimous agreement or not.

3. **OPTIONS FOR CONSIDERATION**

- 3.1 At present it is too early to prescribe a model that best suits Greater Lincolnshire's collective ambitions and political position. Therefore, it is crucial that meaningful and encompassing engagement is entered into with all identified interest groups representing social, economic and environmental areas of activity to ensure a fully understood and bought in "deal" can be brokered with Government.

The Government see Devolution Deals as a central plank towards their Levelling Up agenda. As such the key and prioritised elements of their framework are economic in focus.

The key identified economic areas include:

Skills – at all levels, including skills improvement plans and contracted employment programmes,

Business Support – through bespoke and measured schemes, Shared Prosperity Funds and enhanced advocacy role,

Infrastructure – enhanced and better aligned budgets for transport, broadband and utilities.

Investment – new regeneration partnership role for Homes England, possibility of Development Corporations and access to Brownfield land remediation.

Option 1 - This paper recommends that a structured and prioritised business engagement model is entered into to ensure that the possible benefits of devolution are conveyed successfully to the business community and that in return this sectors views are heard and understood. Such an approach would help both direct and strengthen any final "deal" submission to Government.

It is proposed that the central coordinating organisation for undertaking such an approach is the Greater Lincolnshire Local Enterprise Partnership (GLLEP). The GLLEP have both an existing three – county reach and direct contact to both larger and SME businesses.

The GLLEP will utilise a model of information, advice and guidance on what a “deal” may bring and the implications for the business community. As part of this there will be a multi medium approach to communication including a central interactive website, a series of seminars / webinars, mailings and events.

To enable this approach to happen both quickly and to have the desired reach the three upper tier authorities and districts will make available commensurate resources from their respective business development teams.

The core objective will be to raise awareness of the possible benefits of a devolution deal (based around the emerging key 10 bullet points in appendix 1 - shared and agreed by Leaders throughout Greater Lincolnshire) through an equitable geographical split of engagement addressing both qualitative and quantitative business and business organisations responses by the end of June 2022.

The outcome will be truly representative engagement and endorsement from business and their sector and trade organisations to help set direction, and support any future potential bid for a devolution deal.

Option 2 – To undertake business engagement only within the North Lincolnshire business community.

Option 3 – To not undertake business engagement at all.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 – This is the recommended option and ensures a balanced and standardised approach to business engagement throughout all of Greater Lincolnshire and a coherent and representative voice being heard.
- 4.2 Option 2- To undertake business engagement only within North Lincolnshire could leave an over or under representation compared to other areas of Greater Lincolnshire, lead potentially to an optimum or negative bias in questioning and proposals and also places undue pressure on scarce resources.
- 4.3 Option 3 – To not undertake any form of business engagement is counter-productive to having both a representative and well informed evidence base on which to form future policy and is also dismissive of the “user group” most likely to benefit from such a devolving of powers.

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

5.1 Engagement material will be standardised across Greater Lincolnshire and business engagement will be met through either GLEP or existing NLC resources. Through using modern engagement methodology and mediums, it is anticipated that any resource pressure will be within staffing capacity not financial constraint.

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

6.1 Such engagement contributes primarily to the connected and prosperous outcomes for North Lincolnshire .

There are no known crime, equality, or environmental issues identified with this report.

7. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

7.1 Due to the nature of this ask there are no need for an IIA

8. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

8.1 This report seeks endorsement to engage with the business community of Greater Lincolnshire and within that that of North Lincolnshire itself.

There are no known conflicts of interest.

9. **RECOMMENDATIONS**

9.1 To endorse a joint engagement through the Greater Lincolnshire Local Enterprise Partnership with the business community of Greater Lincolnshire seeking their views to help inform potential future policy decisions.

DEPUTY CHIEF EXECUTIVE

Church Square House
30-40 High Street
SCUNTHORPE
North Lincolnshire
DN15 6NL

Author: Simon Green, Deputy Chief Executive

Date: 16th March 2022

Background Papers used in the preparation of this report –

UK Government – Levelling Up White Paper February 2022

Table 2.3 Devolution Framework

Level 3 – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area

Level 2 – A single institution or County Council without a DEM, across a FEA or whole county area

Level 1 – Local authorities working together across a FEA or whole county area e.g. through a joint committee

Function	Detail	L1	L2	L3
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
Supporting local businesses	LEP functions including hosting strategic business voice		✓	✓
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
Investment spending	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓
Giving adults the skills for the labour market	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
Local control of infrastructure decisions	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
Keeping the public safe and healthy	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align^			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
Financing local initiatives for residents and business	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

* refers to functions which are only applicable to combined authorities

^ refers to functions which are currently only applicable to mayoral combined authorities

Levelling up Lincolnshire

We will tackle our challenges:

- Productivity that is below the national average
- Significant pockets of unemployment and deprivation
- Limited investment across the county, in our city, towns and the challenges of rurality

A county deal for levelling up that:



Boosts growth in key sectors and supply chains by levelling up infrastructure to create high skill, high wage jobs



Increases living standards and opportunity by **levelling up skills and access to employment**



Target investment to level up our towns and places to deliver sustainable growth & **resilience**



Devolve and align budgets with agencies to reduce bidding culture and deliver efficiencies

By unlocking opportunities and boosting key sectors:



- **UK Food Valley** delivering on our potential to be global top 10 cluster for agriculture, seafood and food processing by 2030, adding 50% GVA around £2 billion to the economy creating jobs and opportunity



- **Ports and logistics** including establishing the Humber freeport which will boost the region's economy to the tune of £3.5bn in initial investment and 7000 jobs



- **Green energy and decarbonisation** including doubling offshore renewable and delivering the UK's first net zero carbon industrial cluster by 2040 to capture and store around 10% of UK carbon dioxide emissions and develop blue and green hydrogen infrastructure and production

And contributing to growth in other key parts of our local economy including defence and tourism

Levelling up Lincolnshire

Devolving three types of power for local leaders:

1. **Full devolution** devolving budgets, decision making and accountability for delivery to meet local need
2. **Co-commissioning** customised to meet local need, with shared accountability with Government for delivery
3. **Piloting innovation** and funding to develop new approaches to changing local needs

Our Ten Point Plan

deliver infrastructure for:

- 1 Strategic growth and jobs in key sectors
- 2 Green recovery and a low carbon Lincolnshire
- 3 Transport that connects people to jobs and places
- 4 Unlocking housing and sustainable growth
- 5 Managing our unique natural environment

develop skills and opportunity by

- 6 Skills culture that promotes aspiration across Lincolnshire
- 7 Growing skills needed for future jobs in key sectors
- 8 Creating pathways and apprenticeships into new jobs
- 9 Increasing employment opportunities and productivity
- 10 Accelerating innovation, research and technology

Levelling up Lincolnshire

Our Ten Point Plan – backed by devolved funding,
co-commissioning and pilot initiatives:

Deliver infrastructure for

1

Strategic growth and jobs in
key sectors

Our rural transport and digital infrastructure act as a constraint rather than an enabler for growth. We will use £xmillion of devolved funding to deliver improvements to our strategic road network and boost rail capacity to our ports. We will create the market for gigabit fibre and co-commission the high speed broadband and mobile connectivity needed to address market failure restricting rural businesses and market towns.

2

Green recovery and a low
carbon Lincolnshire

Lincolnshire is a gateway to green energy in the North Sea and is pioneering carbon capture for our heavy industry. We will co-commission the infrastructure needed for growth in carbon capture and storage in northern Lincolnshire and prioritise investment in energy infrastructure across the county to enable green energy production and rural EV charging.

3

Transport that connects
people to jobs and places

Limited public transport networks across our large rural large geography impacts accessibility and opportunity around travel to work and learning. We will co-commission rail services for journeys that matter to people in Lincolnshire and provide capacity for freight from our ports and food valley. We will use £xmillion of devolved funding to boost active travel in Grantham, Grimsby, Lincoln, Louth, Scunthorpe and Spalding to reduce travel delays and congestion.

4

Unlocking housing and
sustainable growth

Delivering growth requires growth sites to get the right infrastructure at the right time. We will develop a strategic plan for growth; co-commission the release of Government and public land such as RAF Scampton and Grantham Barracks; and use £xmillion of devolved funding to develop innovative models to deliver on our infrastructure plans to unlock land for housing and growth.

5

Managing our unique natural
environment

Tourism, fish and food production are dependent on our Environment and we have challenges with flooding and water supply. We will co-commission coastal flood protection on the east coast and changes to water supply to boost growth in the UK Food Valley. We will use £xmillion of devolved funding to deliver on a new nature recovery strategy and offset the impacts of housing growth.

Levelling up Lincolnshire

Our Ten Point Plan – backed by devolved funding, co-commissioning and pilot initiatives:

6 Skills culture that promotes aspiration across Lincolnshire

Traditionally many families have needed or chosen to earn rather than learn. We will change this engrained culture by co-commissioning a new all age career service and pilot individual learning accounts and allowances to support personalised learning and promote opportunity.

7 Growing skills needed for future jobs in key sectors

The national led adult education budget is too complex to meet our growth needs. We will use £xmillion of devolved funding to streamline access to education and skills; and offer qualifications that match the needs of employers and future jobs in key sectors

8 Creating pathways and apprenticeships into new jobs

To provide an Apprenticeship place for everyone that wants one we need flexibility within the funding of apprenticeships to boost participation. We will pilot recycling underspends in region wide Apprenticeship Levy and by co-commissioning bespoke arrangements for apprentices and trainees we will create routes into work in key sectors; and grow the number of apprenticeships by 5% year on year.

9 Increasing employment opportunity and productivity

Customised arrangements are needed to get those of working age to be economically active and provide an appropriately skilled and available labour pool for our key sectors. We will co-commission delivery of employment programmes, linked into our local public services to reach those that are economically inactive, leaving care or in low paid work and support them to take steps towards the attractive jobs offered by growth in Lincolnshire.

10 Accelerating innovation, research and technology

More graduates are needed to boost our advancement in renewables, robotics, digital logistics and food technologies but just under half stay locally. We will co-commission and promote graduates into business schemes to make opportunity more attractive and address the associated costs for smaller businesses. We will also co-commission research opportunities to drive business innovation across Lincolnshire including two innovation "Catapult" initiatives for renewable energy and food technology.