

**Meeting of the Full Council
Meeting to be held on Thursday 23 July 2015**

Report submitted by: The Chief Executive

Part A

Electoral Division affected:
All

Proposal to develop a Combined Authority for Lancashire: Principles Report
(Appendix A refers)

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Executive Summary

The report attached at Appendix A summarises the progress that has been made towards the development of the option of a combined authority for Lancashire. It sets out some of the benefits that a combined authority could bring and the further work that is required to proceed with this option.

Recommendation

Full Council is asked to:

- i) Consider the attached report
- ii) Note the progress that has been made towards the option of a combined authority for Lancashire
- iii) Note that further work is underway to produce a governance review and a scheme of governance arrangements
- iv) Agree to receive a further report in the autumn to consider the final proposals
- v) Agree that the Political Governance Working Group be requested to consider further detailed proposals as they develop in relation to the combined authority and report back to Full Council with recommendations as appropriate

Background and Advice

Combined authorities are legal entities that can be set up to undertake joint functions as agreed by its members. A combined authority would not result in the creation of a 'super council' or be a merger of authorities, but would facilitate closer working between organisations, providing greater opportunities such as maximising investment, the creation of jobs and improving access to Government funding for the benefit of the area. The focus of combined authorities is around strategic decisions such as transport, economic development, housing and regeneration. Most importantly, combined authorities can use this joint influence to draw down powers and functions from central government for the benefit of the whole area.

In order to become a combined authority and under the *2009 Local Democracy, Economic Development and Construction Act*, a 'governance review' needs to be undertaken. This needs to analyse the options for authorities to work together and also to set out the benefits that a combined authority would bring to an area. The governance review sets out the evidence for the case for change.

An options appraisal has been undertaken of the various ways in which authorities in Lancashire can work together. The full option appraisal will be included in the governance review. The conclusion of the options appraisal is that the combined authority model is the best way in which authorities in Lancashire can collectively and individually achieve the greatest benefits for our communities. It also provides the best vehicle from which to negotiate with government on devolution of powers and funding.

If a combined authority is agreed as the most appropriate vehicle, then a scheme of governance arrangements ('scheme') must be published, consulted upon and submitted to the Secretary of State, who will then undertake a further consultation. The precise powers, functions and voting arrangements of the combined authority will be set out in the scheme.

An information briefing for all councillors will be held on Tuesday 21 June at 2.15 to further explain the details of the proposals and to enable any councillors to ask questions.

Key milestones and timetable

July to September 2015

Prepare draft governance scheme and scheme of governance

October to December 2015

Council decision-making period

January to February 2016

Formal local consultation period and external stakeholder engagement

March 2016 onwards
Submission to the Secretary of State

Consultations

N/A

Implications:

There are no significant financial implications in the report as presented. Legal implications are as set out in the report.

Risk management

The government has clearly set out its commitment to devolution and the Cities and Local Government Devolution Bill 2015-2016 is currently making its way through Parliament. The large metropolitan and city regions in the North have all created combined authorities. If Lancashire, which is of similar scale and size to existing combined authorities, chooses to maintain its status quo, there is a real risk of losing out on devolved funding and the opportunity to influence at a regional and national level.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A