

APPENDIX A

Initial Scope of Our New Deal for a Greater Lancashire



Purpose

This document sets out an initial scope and is a first phase of work that could begin to frame a set of devolution asks as part of Our New Deal for a Greater Lancashire – through which potential powers and responsibilities would be devolved to Lancashire from Government – in order to support delivery of Lancashire's overarching strategic plan (Lancashire 2050). The initial scope of the deal is focused on the key priorities agreed by Leaders, having considered the available evidence, on four key themes which require devolution from Government:

- economic growth and investment
- transport, connectivity, and infrastructure
- early years, education, adult skills, and employment; and
- environment, climate change and housing quality.

Within each theme, initial funding asks have been identified varying from single figures to suggested multi-year settlements over a range of time periods. **The total indicative value of the request of Government for these initial proposals is in the order of £5.6billion over a seven year period.**

Theme 1 - Economic Growth and Investment Overview

The scale and importance of the Lancashire economy cannot be overstated, being the second largest in the North West behind only Greater Manchester. A thriving Lancashire remains one of the pre-requisites to a successful economy in the North of England. It is a location which can continue to build on existing clusters of excellence, whilst embracing the opportunity offered by new and emerging technologies and challenges such as cyber, low carbon and clean energy.

The focus of our work will be to ensure that proposals are aligned to supporting fast and sustainable economic recovery and onwards to long-term growth. It will focus on protecting existing employment and economic activity, whilst also driving up productivity, accelerating the commercialisation of low carbon technologies and seeking out new opportunities through stimulating innovation and developing collaborative partnerships. Climate action and mitigation will be key in relation to reducing energy emissions from housing and driving up technological skills. The future role of our towns will also be key and the part they play as places to live, work, study and innovate, consume, and visit. In doing so, this will help to reverse the major impacts of the pandemic on the Lancashire economy, its employers, its workforce and address the wider determinants of health across the communities in which they live.

Strategic objective:

To strengthen, grow and diversify our economy to extend the existing pockets of UK leading productivity across Lancashire as a whole and maximise the value of our people, land, and business assets. We will deliver growth through investment and manufacturing/innovation accelerators in town centres and local economies, unlocking strategic sites and focusing on jobs, skills, low carbon, health innovations, clean

energy, and renewables, maximising our assets and strengths in manufacturing, cyber, digital, and the visitor economy.

The total annual indicative value of the request of Government for the Economic Development and Investment theme is in the order of £200million per annum.

Theme 2 - Transport, Connectivity and Infrastructure

Overview

Lancashire's economic geography is complex and spatially polycentric. Connectivity - both physical and digital - is unequally distributed and under-provided. This is holding back Lancashire's full potential and that of the North as a whole. There are compelling reasons to want to improve both East-West and digital connectivity in Lancashire to tackle some of the worst climate, health and socioeconomic outcomes; provide employers with a larger pool of workers to draw from, enabling the development of more highly specialised sectors, increasing productivity through agglomeration; and integrating Lancashire's divided economy into one. Strategically positioned between the rural areas of Cumbria and Pennines and the major cities of Leeds, Manchester, and Liverpool, Lancashire's best transport connectivity runs North-South, but most people live East-West in a central corridor stretching from Pendle and the Yorkshire borders to Blackpool and the coastal economies. Improving links East-West across the county allows residents to access the major North-South connections more easily maximising opportunities such as high speed rail (HS2). The focus for these links will include bus, renewables-powered electric heavy and light rail, and active travel (walking and cycling). Lancashire is 80% rural and does not have one major settlement which everywhere looks towards. Rather it has groupings of small cities, large towns and freestanding medium-sized towns within urban areas. Those urban areas are better served by digital connectivity. Improved digital connectivity will support the people, businesses, rural and coastal economies and associated natural environment to achieve their significant economic potential, help level up health and wider inequalities and achieve demanding environmental ambitions.

Furthermore, aligning investment in transport and digital infrastructure and utilities with investment in major development and strategic priorities will unlock the economic potential of Lancashire. The high-speed digital cable into Blackpool; the Pennine Industrial District connected by the M65 Manufacturing Corridor; and strategic road and rail connections including cross borders to the major cities of Leeds, Manchester, and Liverpool, will maximise potential across Lancashire and the north as a whole.

Strategic objective:

To level up transport infrastructure along the east-west growth corridor and connect people, business, jobs, education, and investment through improved transport supported by active travel, bus, cycling and walking and full fibre broadband unlocking major development and employment investment

The total annual indicative value of the request of Government for the Transport, Connectivity and Infrastructure theme is in the order of £150million per annum.

Theme 3 - Early Years, Education, Adult Skills and Employment Workstream

Overview

Skills investment is arguably one of the most important priorities for the country (and county) to level up – creating places attractive to higher productivity businesses and increasing social mobility and improving life chances, health outcomes and opportunity for all Lancashire's 1.5million residents.

Through skilling up the population, Lancashire aims to build a talent pipeline aligned with the needs of the economy, enhancing productivity, tackling climate change and, by connecting the workforce to good quality jobs, open up opportunities for career progression, higher wages and improved standards of living. This theme will cover an increased focus on preparing children in the early years of life (0-5) for school readiness as well as focusing on upskilling and improving outcomes for young people and adults (post 16) and those in their working years. This will include working with businesses to improve skills utilisation, job quality, wages, and recruitment.

Most places in Lancashire have a very low skills base with 23% of residents with either no qualifications or NVQ1 qualifications and there is a major skills deficit at NVQ Level 4 when compared with the North West and UK averages.

Strategic objective:

To increase focus on preparing children in the early years of life (0-5) for school readiness and to 'level up' the skills of the working age population, by ensuring that Lancashire residents are able to effectively access high quality skills provision and compete for employment opportunities which enables them to secure a higher quality of life and maximise the existing and emerging strengths in Lancashire's economy including climate change, clean energy, cyber, digital and data.

The total annual indicative value of the request of Government for the Early Years, Education, Adult Skills and Employment theme is in the order of £260million per annum.

Theme 4 – Environment, Climate Change, and Housing Quality

Overview

Tackling climate change and reducing our greenhouse gas emissions is one of the biggest challenges facing our society and significant action is needed across Lancashire to achieve government targets set to reach net zero by 2050. Working together will improve the resilience of Lancashire to the impacts of climate change, such as flooding, on communities, businesses and the wider economy. There is a need for locally led, place-based approach to energy solutions such as decarbonising heating systems, improving energy efficiency and local renewable electricity generation to meet current and future growth needs. Much of Lancashire's housing stock falls severely below standards and is energy inefficient – domestic gas is the second biggest contributor to emissions in Lancashire, after transport. Beyond the environmental and health benefits of reducing emissions, there are significant economic opportunities locally and nationally in the transition to low carbon energy technologies with growth in new high-value industries and more productive, higher paid jobs.

Very poor housing quality is a prominent feature of many of Lancashire's urban centres with some areas having significant volumes of stock over 120 years old and others having very low volumes of houses built to more modern quality standards over the last 20 years. Poor quality and condition including cold, damp and energy inefficient housing, contributes to high CO2 emissions and fuel poverty. This poor-quality housing – typically older, private sector rented stock – plays a crucial role in driving some of the worst health outcomes in England and plays a key role in constraining efforts to regenerate the county's most deprived places. Existing powers are not effective in delivering strategic change and reversing cycles of decline. Intervention in these areas of chronic housing failure will create a platform for better social outcomes, supporting regeneration and economic growth. Benefits include the creation of new jobs, skills and training in construction as well as tackling climate change through installation of cooling and heating systems and mitigating future risks from increased flooding. Improving the quality of housing stock will help to provide residents with attractive, spacious, appropriately heated homes with affordable bills, which are better adapted for life long living.

In turn, this will contribute to the strength of the workforce and health of the population as a whole. Devolution presents an opportunity to bring forward new powers and resource that can tackle the challenges and create more balanced, better-quality housing that can stabilise and transform lives in the areas of greatest opportunity in Lancashire.

Strategic Objective:

To level up green action and investment in Lancashire to achieve our pathway to net zero carbon emissions, protecting our natural environment and neighbourhoods, investing in carbon reduction measures and transforming housing quality. This will include a specific focus on developing a skilled workforce and business supply chain, delivering large programmes to drive improvements in the energy efficiency and quality of homes.

The total annual indicative value of the request of Government for the Environment, Climate Change, and Housing theme is in the order of £200million per annum.