

REPORT FROM: CHIEF EXECUTIVE

TO: FULL COUNCIL

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Report Author: Rose Rouse

E-mail: Rose.Rouse@pendle.gov.uk

LANCASHIRE DEVOLUTION DEAL

PURPOSE OF REPORT

The report sets out progress on devolution in Lancashire in recent months.

RECOMMENDATIONS

- (1) That Council notes progress on devolution in recent months.
- (2) That Council decides how it wishes to respond to current devolution discussions.

REASONS FOR RECOMMENDATIONS

Devolution presents a significant opportunity for Pendle and the entire sub-region in terms of investment, greater powers, and more local control.

ISSUE

1. In November 2023, the Government announced it had negotiated a Level 2 devolution deal with Lancashire, Blackpool, and Blackburn with Darwen councils. There then followed a period of consultation across the three upper tier areas, where the public and interested organisations, including district councils, could respond to the proposed devolution offer, and the creation and governance arrangements for the proposed combined authority. At its meeting on 14 December 2023, Pendle Borough Council agreed not to support the county deal.
2. Following the public consultation, the proposed county deal was ratified by the three upper tier councils and was making its way through the parliamentary approval process. However, the Parliamentary Election in May 2024 halted the progress of the proposed county deal.
3. Subsequently, the Deputy Prime Minister has set out the Labour government's devolution ambitions in a letter to local government Leaders. Those ambitions include:

- A move away from the deal-based approach, to one with clear conditions and a clear offer with a presumption towards devolution so that places can take on new powers automatically if they meet certain conditions
 - A Council of Nations and Regions, bringing together the Prime Minister, leaders of devolved administrations and metro Mayors
 - Devolution of new powers over transport, skills, housing, planning and employment support with the potential for integrated settlements
 - While the government will not force places to take on Mayors, they have been clear that those areas wishing to receive the most devolution will need directly-elected Mayors.
4. Government has sent councils an Expression of Interest form for groups of authorities to complete with proposals for devolution in their respective county and wider sub-regional areas. Any Expressions of Interest need to be submitted to the government by 30 September 2024. The form is brief and includes the following three boxes for completion:
- Preferred geography (upper-tier local authorities in the area)
 - Initial preference on mayoral / non-mayoral devolution
 - Contact details (political and officer level)
5. Over the summer, letters were sent from councils in Lancashire to local MPs and the government. This included a letter signed by the Labour and Independent district leaders, which set out an intention to make proposals for a new devolution settlement for Lancashire. The Conservative leaders sent a separate letter which set out opposition to local government reorganisation and directly elected mayors. It also expressed a view that it would not be possible to agree a new settlement quickly and therefore asked the government to confirm whether district councils would be able to be voting members of the CCA.
6. Many authorities, including Pendle, believe that Lancashire needs the best possible devolution deal and the current proposed deal is not ambitious enough. There is clearly a difference of opinion around the county on the requirement for a Mayor if this was a route to a better deal. There is more consensus on the need for the involvement in some form of all 15 Councils in Lancashire. It is widely felt that Local Government re-organisation would be difficult to achieve in the short term and securing a satisfactory devolution deal is the priority. Districts wish to see the UK Shared Prosperity Fund (UKSPF) continued at a district level.
7. At the time of writing, at least one other district council has informally indicated that it is submitting an alternative 'Expression of Interest' and has invited others to join. An oral update on the latest position will be provided at the Council meeting.

IMPLICATIONS

Policy:

Devolution is a key policy issue for the council and any future deal will have a significant impact on economic growth including green growth, investment in infrastructure, skills, and elements of housing delivery.

Financial:

Any devolution deal will bring additional funding into the sub-region. However, there is a risk that the UKSPF funding might not be allocated direct to Pendle for the council to decide where it is most needed and where it can make the greatest impact.

Legal:

Governance arrangements, representation and the sovereignty of district councils are key issues associated with the devolution deal discussions.

Risk Management:

The key risks are outlined above.

Health and Safety:

None arising directly from this report.

Sustainability:

Devolution will bring funding into the sub-region which can help the move towards reducing carbon and building a greener economy.

Community Safety:

None arising directly from this report.

Equality and Diversity:

None arising directly from this report.

APPENDICES

LIST OF BACKGROUND PAPERS