

**Open Report on behalf of Tony McArdle, Chief Executive**

Report to:	<b>County Council</b>
Date:	<b>18 September 2015</b>
Subject:	<b>Devolution of Government Powers - Expression of Interest</b>

**Summary:**

As part of the Government's Spending Review, Her Majesty's Treasury invited cities and other local authority areas to indicate how they might use devolved powers from Whitehall to advance their areas. Local authority leaders across the historic county of Lincolnshire concluded that an expression of interest should be submitted with local partners such as the Greater Lincolnshire Local Enterprise Partnership, the Police & Crime Commissioner, the Clinical Commissioning Groups, the universities, further education establishments and others. In total there were twenty-one signatories to a document submitted to the Government on 4 September that invited further engagement.

This paper appends that document and invites the Council to endorse this expression of interest.

**Recommendation(s):**

That the Council endorses the expression of interest to Government in negotiating devolved powers from Central Government as indicated in the document "Greater Lincolnshire: A Place to Grow .... faster than anywhere" (appended to this report).

## **1. Background**

### Government's Aims

- 1.1 A consequence of the referendum decision on Scottish Independence was a debate on how there might be more devolution within England. The Government has indicated that it would be willing to consider how some powers and money, which are presently vested in Central Government, might be devolved to local areas. The *Cities and Local Devolution Bill* was introduced to Parliament by the Government in May, very shortly after it was elected.

- 1.2 Initially attention was concentrated on the Cities. There was a view that City Regions could be the engines for economic growth and were places with which people readily identified. The Government was also keen to make decision taking on significant sums of public money to be as transparent as possible with clear accountabilities. In the opinion of many in Government, this would be most easily achieved if there were directly elected mayors in relevant areas.
- 1.3 However, political leaders elsewhere demonstrated that rural areas with smaller provincial cities and towns, also contributed significantly to the country's economic performance. There was more doubt about the best form of Governance in rural areas, particularly if the areas defined for devolved powers encompassed several county areas. Some felt that elected mayors may not be the right means for citizens to identify accountability for decision taking.
- 1.4 As part of the Chancellor of the Exchequer's Emergency Budget in July, Greater Manchester and Cornwall were identified as two areas that were to receive devolved powers from Government. In addition, the Government published its document, *A country that lives within its means - Spending Review 2015*. In the Executive Summary George Osborne and Greg Sands stated, "*Devolution within England has only just begun. This Spending Review is an opportunity to take a further big step forward.*"

#### Local Authority Responses

- 1.5 Within the local government community there has been an expectation that cities would engage with their hinterland authorities to establish areas for devolved powers, with or without an elected mayor as the preferred governance model. Combined Authorities were also suggested as well as less formal arrangements. For those areas that wished their devolution proposals to be considered as part of the Spending Review, the Government established a deadline for submission of 4 September 2015.
- 1.6 The County Council Leader believed that this was an opportunity that Lincolnshire should take. He initiated conversations with district councils, the unitary councils of North Lincolnshire and North East Lincolnshire, the Greater Lincolnshire Local Enterprise Partnership, the Police & Crime Commissioner, the Clinical Commissioning Groups, the universities, the further education sector and others.
- 1.7 There was broad agreement early on that a devolution proposal should be prepared, and that ideally this should cover Greater Lincolnshire, but there were differing views about the timescale for submission. Civil Servants confirmed that there was no requirement for areas to submit anything and that proposals would be accepted after the 4 September. However, it became apparent that submissions that came later would not be dealt with in the same way. Those submitted by the deadline and accepted by HM Treasury would probably have budgets allocated as part of the Spending Review, with money directly top-sliced from Departments. Any that were

considered after the spending review would most likely be considered on a department by department basis.

- 1.8 The County Council commenced a draft expression of interest document and shared it with potential signatories. Chief Executives of the unitary and district councils worked collaboratively with the Chief Executive of this council to finalise the words having consulted with the other signatories.
- 1.9 The document has the status of an expression of interest and is not binding on the parties. It specifically states "*We believe that, in discussion with government, we can develop these proposals to form a strong, viable and transformational plan for Greater Lincolnshire, and we ask government to engage with us to that end.*"

## **2. Conclusion**

- 2.1 The signatories recognise that this is an expression of interest to enter into a discussion with Her Majesty's Government. The proposals in the document are not binding on any party, not least because the Government will wish to negotiate terms with the various interested organisations, should it invite them to do so.
- 2.2 The timetable for the submission has been such that it has not been possible for most of the organisations to obtain formal agreement of their governance bodies to approve the document. The Leader of the Council has signed this document based on the conversations with the leaders and representatives of organisations in Lincolnshire, some of whom are signatories to the document.
- 2.3 At this stage there are no policy or budget changes that would require the approval of the Council. However, Council members are invited to recognise the potential benefits of receiving devolved powers and to endorse the submitted document, which is appended to this report.

### **3. Legal Comments:**

The submission of an expression of interest falls within the executive powers of the Leader of the Council. The County Council does not need to approve formally this document for it to be valid, but may endorse it as a means of demonstrating its support. The report notes, correctly, that the submitted proposals are not binding on the Council or any other organisation.

#### 4. Resource Comments:

There are no immediate budget implications in endorsing the submission document.

Should there be an invitation to enter into discussions with HM Government, then there will be some expenditure but this would fall within the present Budget Framework.

#### 5. Consultation

##### a) Has Local Member Been Consulted?

n/a

##### b) Has Executive Councillor Been Consulted?

Yes

##### c) Scrutiny Comments

Not applicable

##### d) Policy Proofing Actions Required

Not applicable because this is a new area of policy and governance.

#### 6. Appendices

These are listed below and attached at the back of the report

Appendix A	Greater Lincolnshire: A Place to Grow ... faster than anywhere.
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#### 7. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Cities and Local Devolution Bill	<a href="http://services.parliament.uk/bills/2015-16/citiesandlocalgovernmentdevolution.html">http://services.parliament.uk/bills/2015-16/citiesandlocalgovernmentdevolution.html</a>
A country that lives within its means	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447101/a_country_that_lives_within_its_means.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447101/a_country_that_lives_within_its_means.pdf</a>

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