

Appendix A

SCHEDULE 1 – FEEDBACK FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

LEADER OF THE COUNCIL, EXECUTIVE COUNCILLOR: RESOURCES, COMMUNICATIONS AND COMMISSIONING

1st DECEMBER 2023

CONSIDERATION AND APPROVAL A DEVOLUTION PROPOSAL FOR GREATER LINCOLNSHIRE AND COMMENCEMENT OF CONSULTATION ACTIVITIES

STATEMENT FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

On 30 November 2023 the Overview and Scrutiny Management Board and agreed to support the recommendation to the Executive Councillors.

All Board Members welcomed the Devolution Deal Proposal in principle and commented on the apparent benefits emerging from the proposed package, particularly in reference to economic and development benefits, with a positive note raised, to acknowledge the explicit reference in the proposal document to establishing links for the expansion of the defence industry in Lincolnshire. In such wise, the historical significance of Lincolnshire as Bomber County and its innovation in defence were highlighted, with hopes for continued growth in the defence sector to foster a high-wage, high-quality job economy.

Some of the key points referenced in the debate included:

Funding, challenges and implications

Members of the Board raised a question concerning the proposed document and the potential collaboration with other authorities which focused on the safety net in case participating authorities faced financial challenges akin to recent instances of effective bankruptcies experienced by neighbouring regions. In response, Officers highlighted the creation of a separate Mayoral Combined County Authority (MCCA) through the proposals as a distinct institution which operated with its own financial arrangements and plans, minimising exposure to additional risks from other organisations. Assurance was given that the County Council, while able to contribute, would not incur liability if another party failed to meet its financial obligations for the proposed activities.

In line with the above, Members expressed concern about the substantial funds involved in the deal and the potential risk of these resources being misused or lost within an authority not functioning properly. Officers asserted that the purpose-driven nature of the devolved funding mandated that funds designated for specific purposes, such as transport and education, would come with predefined conditions to prevent any diversion into unrelated

areas, therefore, ensuring that the allocated money would not be absorbed by an authority that was not functioning properly.

Further, scepticism was expressed by Members about the £24 million per year offered, framing it as a modest sum compared to the significant loss in government grants over the past decade, estimating it at £130 million annually. The Leader of the Council responded, acknowledging the Fair Funding argument, and emphasised the potential for more than £24 million, highlighting an immediate £20 million infrastructure package and additional funds for adult education. Addressing concerns about geography, the Leader pointed to the success of the existing Local Enterprise Partnership and expressed confidence in the ability of a mayor, focused on collaboration rather than running services, to effectively work across greater Lincolnshire.

Mayoral function

Members of the Board raised concerns about the mayor's office, including the associated costs, salary, and staffing, expressing reservations about the level of power the mayor would hold. Questions were also raised about the restrictions on the precept, with a desire for clear answers on its limitations. The Officers responded, stating that the Secretary of State sets conditions for the precept within certain thresholds that typically change annually, emphasising that the precept must align with mayoral powers.

Members further inquired about the limitations on the elected mayor's power to issue a precept on local council tax bills for mayoral functions, expressing concerns about potential unrestricted increases. Assurance was given that the precepts charged by the mayor were anticipated to align with existing Council tax rules, which typically included limitations set by government policy. These rules prevented significant precepts that would excessively raise Council tax beyond an agreed percentage. While acknowledging potential policy changes, the expectation was conveyed that the overall framework would remain consistent, providing a level of control to prevent disproportionate increases in local council tax bills for mayoral functions. Additionally, the precepting power mentioned in the deal was limited to mayoral functions. However, the Leader acknowledged that this aspect might need further clarification. Drawing on the practice in most combined authority areas, the intention for Lincolnshire was for the respective councils to fund the mayor and their office in terms of covering required roles (i.e., Monitoring Officer and Section 151 Officer).

The Chief Executive clarified key aspects regarding the mayoral office budget and precept application. Notably, for the first three years, there's a grant for setup costs, totalling half a million (Y1), a million (Y2), and another half a million (Y3) to support the initial running of the mayoral office. The distinction between the mayoral combined authority budget, encompassing major funds like the £24 million Mayoral Investment Fund, and the mayor's office budget was emphasised. The mayoral combined authority budget requires a support

from the three lead members from all three constituent councils for approval. However, the mayor can request a precept for the office, subject to certain restrictions. One of two tests must be passed, involving potential amendments by a 2/3 majority of constituent members or if two lead members and one other member request a budget amendment, providing a mechanism for review and change in the precept application process.

Members queried whether legislative provisions would allow the leaders of constituent authorities to propose funding the mayor and their office directly from the councils, eliminating the need for a precept. Officers clarified that while the proposal document sought the power to levy a precept, it did not mandate its use. Officers explained that committing the three organisations to fund in perpetuity may not be possible, and they highlighted the importance of having the precept powers as a potential tool to address future challenges. Officers acknowledged that £2m of transition funding would be available to set up and run the MCCA in the first three years and advised against omitting the precept powers from the proposal, emphasising the flexibility it provided in responding to unforeseen difficulties, even if the power was not ultimately used.

Concerns were also voiced about the potential impact of a new layer of government, particularly regarding the powers of the mayor and the accountability of functions held by various authorities. In response, Officers pointed to the governance arrangements outlined in the proposal document, emphasising the protection of constituent authorities' interests and decision-making powers, such as planning, retained by District, City, and Borough Councils. The clarification highlighted that powers and funding were being devolved from central government, with safeguards in place to prevent unilateral shifts of authority, ensuring protection against negative scenarios.

Members maintained the need of effectively communicating the complexities of the proposal to the public, recognising that not everyone was anticipated to delve into the extensive documents provided. In response, the Leader addressed the misconception that this entailed an additional tier of government, clarifying that the mayor function resembled that of the chairman of a partnership board. He underlined the limited specific powers of the mayor and highlighted the goal of collectively aligning public sector and business interests in Lincolnshire to determine county objectives. The explanation aimed to dispel the perception of a massive organisation, assuring that the proposed MCCA would be as small and efficient as possible. Emphasis was placed on ensuring continuity in the work conducted by local councils, except for certain aspects such as the Local Transport Plan for Greater Lincolnshire.

Further clarity was sought on the transportation aspects of the devolution proposal, as Members expressed concerns about devolution potentially diverging from local decision-making and becoming more regionalised. Officers responded by outlining the development of a Local Transport Plan by the mayoral authority, covering Greater Lincolnshire for improved economies of scale and cross-border collaboration. They stressed the influence of constituent

authorities in shaping this plan, ensuring representation of Lincolnshire's priorities. Officers highlighted enhanced arrangements for rural transport provision, including the creation of a Rural Transport Board and collaboration with the Department of Transport with potential for additional funding. They assured that, while some aspects operate at a higher level, detailed control and strong local influence are maintained, opening doors for strategic discussions with the government. Officers also addressed concerns about strategic relationships not impacting the role of Highway Authorities, emphasising the continuation of the constituent authorities' responsibilities for highway maintenance.

Finally, Officers highlighted the significance of the mayor's role in devolution, emphasising that the mayoral authority would be one of 11 voices representing Greater Lincolnshire to central government departments, a shift from the current over 300 voices. This aimed to elevate the region's influence and express its needs more effectively. Existing and potential connections with key government departments, such as Defra, DfT, and the Department for Education, were outlined with a focus on supporting not only high-paid jobs but also providing skills for the workforce. The document set out ambitions for culture, tourism, and hospitality, aligning with broader economic and investment considerations. The Officer acknowledged the importance of money as part of the package but stressed that it's just one element, underscoring the mayor's role in creating an environment for change and driving the agenda. The consultation process was highlighted as an opportunity for Members, residents, and businesses to contribute to the narrative, with feedback expected to inform updates to the proposal document in March.

Clarification in relation to mayoral candidates-

The CEX confirmed that legislation mandated that the mayor could not be a Councillor of a Constituent Authority. If an individual was or to be a councillor of a constituent council and was subsequently elected as Mayor, their councillor position would be surrendered.