

# Governance Review for Greater Lincolnshire

## Introduction

1. In 2015 the Councils in the Greater Lincolnshire area (Boston Borough Council, City of Lincoln Council, East Lindsey District Council, Lincolnshire County Council, North East Lincolnshire, North Kesteven District Council, North Lincolnshire Council, South Holland District Council, South Kesteven District Council and West Lindsey District Council) agreed proposals to review their governance arrangements in order to deliver their ambitious plans for economic growth in Greater Lincolnshire (GL).
2. This document has been prepared by the Greater Lincolnshire Leadership Board, a joint committee of the Greater Lincolnshire Councils or their executives. It details the findings of a governance review that has been undertaken under Section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA)<sup>1</sup> as amended by the Cities and Local Government Devolution Act 2016 (CLGDA)<sup>2</sup> to review the exercise of statutory functions in relation to the combined areas of the Councils (“the review area”) with a view to deciding whether to prepare and publish a scheme for a combined authority under section 109.
3. The Councils may publish such a scheme if they conclude on the basis of this review that the establishment of a combined authority would be likely to improve the exercise of statutory functions in relation to the review area.
4. The issues set out in this document are to be the subject of consultation with all stakeholders.
5. The findings of this governance review will be considered by each of the constituent councils who will consider whether to propose a ‘scheme’ for a Greater Lincolnshire Combined Authority. If they do the draft scheme will be the subject of a public consultation exercise before a final decision is reached whether to publish a scheme.

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<sup>1</sup> The Act can be found at <http://www.legislation.gov.uk/ukpga/2009/20/contents>

<sup>2</sup> The Act can be found at <http://www.legislation.gov.uk/ukpga/2016/1/contents>

## Executive Summary

6. In accordance with the statutory framework the purpose of this Governance Review has been to:
  - review the exercise of statutory functions in relation to the review area with a view to deciding whether to prepare and publish a scheme under section 109;
  - consider the options available for making changes to existing governance structures and arrangements with a view to improving the exercise of statutory functions;
  - determine which option is likely to be most beneficial to the Greater Lincolnshire area and strengthen the overall governance arrangements and exercise of statutory functions .
7. The Governance Review has found that Greater Lincolnshire functions as an integrated economic area. There are significant interdependencies between the Councils in the area. There are strong relationships with neighbouring areas. Partnership working on initiatives such as the Growth Deal and Enterprise Zones has further strengthened Greater Lincolnshire as a functional economic area. Our partnership working has a strong track record that can be built on.
8. However, the case for change is compelling on two grounds.
9. The review has operated on the principle that devolution is not about taking away powers from constituent councils, but about drawing down powers from central government or government agencies. At the level of the exercise of functions themselves, the ability of Greater Lincolnshire to drive economic growth is hampered by a lack of control over key elements of the growth agenda, including such matters as skills and strategic planning. In particular the distinction between functions exercised locally and those exercised by central government introduces a lack of coherence which undermines a strategic approach. To overcome these issues, whether through full devolution of functions from central government to the local area's governance arrangements or through closer working between central and local government , calls for the creation of single corporate entity to take devolved functions or to lead in collaboration. To pursue devolution or increased collaboration through ten individual councils as opposed to a single entity in the form of a Mayoral Combined Authority is unsustainable and a recipe for greater fragmentation and complexity
10. At the level of governance and decision-making there are a number of limitations within the current arrangements, largely relating to the lack of a single, formally constituted body responsible for taking strategic decisions about economic growth across the review area. This gives rise to potential problems such as lack of clarity, duplication and inefficiency of decision making. The Review also concluded that the

current arrangements inhibited long term strategic decision making and that they were not sufficient to support the ambitions of the area. A less cumbersome governance arrangement is needed to address the challenges that Greater Lincolnshire will face in the future, as well as providing greater transparency and accountability.

11. The financial position facing local authorities should not be overlooked. Over the last four years, there have been significant reductions in the Government's funding of local authorities. Reductions in local government funding have been higher than in other parts of the public sector. It is therefore imperative that all future governance models are efficient and reduce duplication and waste wherever possible.
12. The Review finds that a Mayoral Combined Authority is the option which most fully permits the effective discharge of the functions that Government is prepared to devolve to the Greater Lincolnshire area.

## Methodology for the Governance Review

13. The governance review has comprised the following:-
  - A review of the economic evidence in order to assess the effectiveness of current arrangements;
  - Desk research of possible future governance structures and an analysis of their advantages;
  - Final version submitted to the constituent councils for approval

## Review of Economic Evidence

14. The full economic review is available as part of the Strategic Economic Plan and can be accessed via <http://www.greaterlincolnshirelep.co.uk/documents-and-resources>
15. Greater Lincolnshire already contributes over £18 billion to the national economy each year. As an economic geography, our area makes a positive net contribution to UK Gross Domestic Product, earning more money per capita for HM Treasury than is spent on the delivery of local services.
16. Some of the most significant energy, food, manufacturing and chemical industries in England are located here. We have the largest UK port by tonnage and the area's ports and logistics companies serve the whole of the UK and beyond. Tourist visitors to the area generate almost £2bn a year in local expenditure.
17. Greater Lincolnshire believes that this area has real potential to deliver sustainable growth. New investment that has been secured through the Greater Lincolnshire LEP towards local economic growth activity will directly accelerate the delivery of:
  - 13,000 new jobs
  - support to 22,000 businesses
  - up to 100,000 new homes
  - an increase the value of the Greater Lincolnshire economy by £3.2 billion
18. We are helping businesses across Greater Lincolnshire to increase productivity and create new commercial and employment opportunities whilst working to increase skill levels allowing local businesses to recruit and train the talented employees they need to succeed.
19. We recognise that the labour market for businesses and residents in Greater Lincolnshire extends beyond administrative boundaries. This is demonstrated by the 8 Travel to Work Areas within Greater Lincolnshire, which extend into parts of Nottinghamshire and Leicestershire to the West and are influenced by Peterborough to the South.



Travel to Work Area (TTWA's) in Greater Lincolnshire  
Source: ONS

20. We recognise that our housing market also plays an important role in supporting the local economy and with 100,000 new houses planned over the next 15 years, will contribute to the provision of major growth opportunities along nationally important investment corridors.
21. Working with our lead partners across Greater Lincolnshire, we have identified a range of specific additional powers that will enable us to accelerate delivery of our ambitions and achieve growth more quickly than anywhere else in the UK. Through Government's backing, we can deliver a strong, viable and transformational plan for Greater Lincolnshire based around the following key areas:-
- accelerated growth
  - transport
  - skills
  - housing
  - water management
  - health
  - public protection
  - leadership
22. We believe that local control of powers devolved from central government in these critical areas and associated funding, will deliver a real step change in our skills base, place us at the forefront of new technologies, improve health and wellbeing outcomes and deliver radical public service reform for the benefit of our economy and citizens.

## Greater Lincolnshire

23. Greater Lincolnshire has a population of 1,060,000. This unique area makes a distinctive contribution to national GVA and offers an attractive option for investment and development. We offer a range of important social and economic factors which make this a great place to live and work. We:-
- Serve over 75% of the UK population within a four-hour drive time from a central UK location
  - Offer a diverse base of almost 44,000 VAT/PAYE-registered businesses, offering massive supply chain opportunities across a range of sectors
  - Have an international airport serving the business community
  - Boast the largest UK port by tonnage
  - Are part of the largest Enterprise Zone in the UK and are developing 3 Food Enterprise Zones
  - Provide two universities, two new University Technical Colleges and seven colleges of further education
  - Benefit from low housing costs and low crime rates
  - Enjoy historic sites, beautiful countryside and miles of sandy beaches, vibrant market towns and urban centres
24. Greater Lincolnshire makes an important net contribution to the national economy, directly enhancing:-
- National food security
  - Access to key European markets
  - Domestic renewable energy output
  - Manufacturing output
  - UK visitor economy
  - The country's housing needs

## Economic Context

25. Our economic strategy has a critical focus on growing our contribution to the economy of UK plc. We will do this by concentrating the activities and investment in those sectors and areas where we can have the greatest impact
26. Greater Lincolnshire's economic output (GVA) was over £18.3bn in 2013, having grown by 7.3% since the onset of the recession in 2008. This is a positive sign of the area's economic resilience and emergence from recession, albeit GVA growth lagged behind that of the East Midlands (11.1%) and England as a whole (11.4%) over this period.
27. Workplace-based GVA per head in Greater Lincolnshire was just 76% of the UK average in 2013 – reflecting our particular mix of sectors and low economic participation rates in some parts of the Greater Lincolnshire area. This, along with

levels of multiple deprivation, has resulted in Greater Lincolnshire's status as a 'Transition Region' for the purposes of the European Union Structural and Investment Funds programme for the period 2014-2020.

28. Greater Lincolnshire's businesses are made up of an astonishing 99% of SMEs. We are resilient, pro-active, and buck trends.

### **Economic Sectors**

29. Greater Lincolnshire has identified and prioritised four core sectors where we can truly grow UK plc and add real value to the Government's Industrial Strategy. Alongside our focus on these local sectors which will make the most significant contribution to growing and rebalancing the UK economy, we are also championing the development of two further key sectors with significant growth potential.

#### **Core**

- **Agri-food;** Greater Lincolnshire has more grade 1 agricultural land than any other area in England, producing/processing over 12% of the UK's food supply including more than 70% of its seafood and 25% of its vegetables. The sector employs around 75,000 people across the supply chain with a diverse mix of businesses including Cranswick Plc, Greencore, Moy Park, 2 Sisters, Walkers and Young's Seafood alongside a wide range of primary producers
  - **Manufacturing and engineering;** this sector contributes over £1.9 billion (11%) of Greater Lincolnshire's output, and employs around 41,000 people. Our manufacturing/ engineering strengths encompass power engineering, petrochemicals/chemicals, steel manufacture and motorsport engineering with global businesses including Siemens, Total, Phillips 66, Tata Steel, Novartis, Cristal and Pilbeam Racing Designs.
  - **Visitor economy;** worth over £1.9billion per annum to the Greater Lincolnshire economy, it supports over 39,000 jobs and has long-term growth potential. More than 31 million people visited Greater Lincolnshire's world class visitor attractions in 2014 including Lincoln Castle and Cathedral, the Lincolnshire Wolds and the vibrant coastal resorts of Cleethorpes, Mablethorpe and Skegness – the UK's fourth most popular holiday resort.
  - **Low carbon economy;** already worth £1.2billion per annum to Greater Lincolnshire and employing over 12,000 people, and with the potential for up to £60billion of private investment over the next fifteen years, this sector offers major opportunities for growth in offshore wind (linked to manufacturing/installation of turbines and in operations and maintenance activity) as well as in biomass, biofuels, energy from waste and the development of other low carbon or environmental goods and services.
30. The importance of the contribution made by our agri-food, manufacturing and visitor economy sectors to the UK economy is highlighted in the table below. This shows

that Greater Lincolnshire's contribution to GVA from agri-food is equal to four times the UK average and over one and a half times the UK average for manufacturing GVA. Both the agri-food and manufacturing sectors are over represented in employment terms compared to the UK average. The visitor economy performs near the UK average in terms of employment and output and, but once consideration is given to GVA and employment in the retail sector that supports and is supported by, the visitor economy, its importance is clear.

Sector	Employment		Economic Value (GVA)	
	%	UK	%	UK=100
Retail/Wholesale	18	114	13	112
Financial & Business Services	14	60	14	46
Health & Care	14	107	11	120
Public Admin, Education & Defence	13	90	13	99
<b>Agri-food</b>	<b>10</b>	<b>318</b>	<b>11</b>	<b>407</b>
<b>Manufacturing</b>	<b>9</b>	<b>127</b>	<b>13</b>	<b>151</b>
<b>Visitor Economy</b>	<b>8</b>	<b>86</b>	<b>5</b>	<b>96</b>
Ports & Logistics	5	120	5	103
Construction	5	107	9	127
Other Services	2	93	2	84
Energy, Water & Waste	1	118	4	120
Communications	1	38	1<	27

Local Economy Forecasting Model, Cambridge Econometrics 2013

Source: Business & Employment Register Survey 2012, Office for National Statistics

### Emerging

- Ports and logistics;** Greater Lincolnshire's central location ensures that we can serve over 75% of the UK population within a four-hour drive time. The Port of Immingham - the largest UK port by tonnage – is a key gateway to Europe and plays a vital role in supporting the UK energy sector through imports of oil, coal and biomass. The Ports of Grimsby (automotive import/export) and Boston (grain) and Humberside Airport (perishables) are also key assets alongside a diverse logistics sector which employs 18,000 people.
- Health and care;** our growing and ageing population and dispersed settlement pattern are driving opportunities for economic growth in Greater Lincolnshire's health and care sector, which currently employs 56,000 people and is worth £1.2billion per annum to our economy. Opportunities include developing and embedding innovation across the NHS through the new Schools of Life Sciences and Pharmacy at the Lincoln Science and Innovation Park, deploying assistive technology and ensuring our housing stock can meet the 'whole life' needs of residents.

## Recent Economic Successes

31. Greater Lincolnshire has 'punched above our weight' performing 8th highest across all 39 LEPs due to the quality and deliverability of our strategic economic plans by securing £146.2m of Growth Deal in 2014/15. European funding of £113m for the 2013-20 Programme was secured and has already been successful in delivering the hugely successful Business Lincolnshire Growth Hub alongside projects benefitting from Growing Places Funding, as well as major transport schemes which have succeeded through critical partnerships. In total these projects represent:-
- £430m new investment
  - 9,250 jobs created or safeguarded
  - 900,000m<sup>2</sup> new commercial workspace
  - 6,500 new homes built
  - 4,500 new learners supported
32. Some highlights include:-
- South Humber Industrial Infrastructure Programme (SHIIP): Phase 1
  - Bishop Burton College
  - Scunthorpe Town Centre
  - Teal Park Business Park
  - Lincoln Central Transport Hub
  - Boole Technology Centre
  - Lincoln Eastern By-Pass
  - Unlocking Rural Housing Programme: Phase 1
  - Skegness Countryside Business Park
  - Boston Quadrant/Distributor Road, Phase 1
  - Grantham Southern Relief Road
  - Grantham College
  - Agri Food Centre of Excellence
  - Food Enterprise Zones (Europarc, Central Lincolnshire, Holbeach)
  - Nottingham to Lincoln train enhancements
  - Business Lincolnshire Growth Hub
33. For a full overview and list of projects visit [www.greaterlincolnshirelep.co.uk](http://www.greaterlincolnshirelep.co.uk)

## Current Arrangements

34. We consist of the unitary authorities of North Lincolnshire and North East Lincolnshire (both bordering the south bank of the Humber Estuary) together with the county of Lincolnshire and its constituent seven districts, underpinned by the Greater Lincolnshire LEP.
35. Along with the other 11 Midlands LEPs, Greater Lincolnshire is also actively engaged in developing a robust business case and evidence base to secure further strategic investment through the Midlands Engine for Growth. Our negotiations

highlight the positive net contribution which Greater Lincolnshire already makes towards national GVA output.

36. Ongoing discussions with HM Treasury will focus on the national economic importance of improving connectivity to Greater Lincolnshire ports and food production corridors as a key driver for delivering accelerated growth and productivity across the Midlands and beyond.

### **Lead Delivery Partners**

37. We recognise the importance of the governance relationship, supported by a range of partners that will deliver these priorities – local authorities, housing growth, our schools, training providers, further and higher education colleges, universities, Chambers of Commerce and the Federation of Small Business operating alongside our flourishing business communities. There are a great number of very successful partnerships and networks across the area and we have an excellent track record of working together to achieve more.

### **Limitations of the Current Arrangements**

38. The current partnership arrangements described above have delivered a significant number of development and growth projects which were above the pro-rata expectations for LEP and other funding. An effective framework has been developed to manage and commission the £146.2m Local Growth Fund which will unlock a further £430m of investment and create at least a further 9,250 jobs and 6,500 homes.
39. However, the current partnership arrangements have a number of constraints including those that were identified in the Planning Advisory Service/ Local Government Association review into Greater Lincolnshire being “Open for Growth” (March 2015), namely:-
- There is no single formally constituted body with responsibility for taking decisions related to strategic economic growth across the sub-region. This has led to a lack of clarity about decision making processes and responsibilities.
  - The current arrangements that are in place are voluntary and rely on good relations between partners and a mutual interest in working collaboratively.
  - As none of the current partnership are formally constituted, decisions relating to economic growth and transport need to be taken by all the relevant local authorities. This results in longer decision making timescales, duplication of effort and a lack of transparency leading to a potential for confusion.
  - The current governance arrangements are not sufficient for the ambitions of the area in terms of long term funding commitments for transport investment, devolution of funding and the ability to commission skills programmes locally

and enhanced funding and finance powers through the establishment of new enterprise zones to help deliver priority growth areas.

- As there is no single entity with responsibility for taking strategic decisions on spatial planning there is no straight forward mechanism for coherent long term strategic planning decisions to be made collectively by all local authorities about the future direction of growth, including distribution of employment and housing land in the city and county and key infrastructure investment. It also inhibits shared understanding about the sub-region as a single economic area and a risk that each council acting alone will have limited control or influence over the key drivers of economic growth.
  - There is no vehicle to provide a single, coherent response to major, national infrastructure investments such as strategic road and rail projects.
40. There are no formal arrangements for binding decisions on strategic land use planning to be taken collectively. This impacts on the confidence and assurance investors, central government and other agencies have in the deliverability of the sub-region's plans for economic growth. There is also no single mechanism for discussing strategic planning and infrastructure with adjacent local authority areas.
41. There is no single, strategic commissioning body to drive and deliver locally-led solutions to improve the delivery of skills training and development across Greater Lincolnshire.

## Case for Change

42. The ten local authorities of Greater Lincolnshire firmly believe that they can build upon their successes by strengthening and formalising partnership arrangements. In particular, this would allow them to work more closely together with Government and the LEPs in the Greater Lincolnshire area to enhance their collective impact on economic growth.
43. Strengthened partnership arrangements would also create a clear and effective platform for accelerating economic prosperity in Greater Lincolnshire through the creation of integrated strategic frameworks to enable the delivery of investment plans for planning, housing, transport and skills.
44. In the current financial climate, where there have been significant reductions in the Government's funding of local government over the last four years, which are set to continue in the medium term, it is imperative to have governance arrangements in place that are efficient and reduce both duplication and the timescales for delivery of investment in economic growth.
45. An alternative arrangement will represent clear and co-ordinated governance for Greater Lincolnshire and will form the foundation for an ambitious devolution deal for the area.

## Options for Change

46. This review considers the following options:-
  - Option 1: Maintaining the status quo;
  - Option 2: Establishing a Joint Committee;
  - Option 3: Establishing an Economic Prosperity Board;
  - Option 4: Establishing a Combined Authority;
  - Option 5: Establishing a Combined Authority with a directly elected Mayor.
47. These options are considered in the light of the requirement that the Governance Review determines whether the creation of a single entity, whether an economic prosperity board or a combined authority would improve the exercise of statutory functions in relation to the review area.

### **Option 1: Maintaining the Status Quo**

48. Maintaining the status quo means that the governance arrangements will not be sufficient for the ambitions of the area. These ambitions include:-
  - Long term funding commitments for transport investment to enable an enhanced and integrate transport infrastructure

- Devolution of funding and the ability to commission skills programmes locally to equip people with the skills to meet business demand and employment opportunities
  - Strategic infrastructure to deliver new homes
  - Simplify and strengthen business support and innovation
49. Under the current arrangements, there is no single body which could hold devolved funding and undertake commissioning on a sub-regional basis.
50. In addition, the lack of a single decision-making body with responsibility across the spectrum of economic development, regeneration and transport means that there is no binding forum where a long term view on policy and strategy can be taken. Without this, it would not be considered prudent for third parties to make long term funding commitments.
51. Maintaining the status quo would also mean that the area would miss out on the benefits of more efficient partnership working and would leave Greater Lincolnshire behind a number of other parts of the country which have already, or are in the process of, strengthening and aligning their decision making process in relation to transport and economic development and regeneration through the establishment of combined authorities and mayoral combined authorities. In addition, it would mean that Greater Lincolnshire would be unable to benefit from the devolution of central government powers to the benefit of the Greater Lincolnshire area.
52. The current arrangements would not allow the sub-region to benefit from a single democratic and financially accountable model which is a legal entity in its own right and can provide the necessary certainty, stability and democratic accountability to allow for long- term, strategic economic decisions to be made.
53. In conclusion, maintaining the status quo would mean difficulties in accessing new funding and powers in line with the ambitions of the area, leaving Greater Lincolnshire behind other areas economically with all the attendant implications for local residents. It would also perpetuate the inefficiencies in the current system.

## **Option 2: Establishing a Joint Committee**

### **Background**

54. Section 102 of the Local Government Act 1972 enables two or more local authorities to set up a Joint Committee to discharge their functions jointly. These arrangements must comply with the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. Joint Committees may be decision-making or advisory.

55. The councils concerned determine the numbers of councillors, terms of office and geographic areas of operation of joint committees. It would be possible to co-opt a non-local authority member to a Joint Committee; however they would not be able to vote.
56. Most Joint Committees appoint a 'lead/accountable' council; some do this on a rotating basis. They have no legal status, cannot impose financial obligations on their constituent authorities, and have no powers to levy council tax. They do not require the involvement of national Government or Parliament and so can be set up within a matter of months.
57. The Joint Committee model allows an area to demonstrate effective decision making and political oversight for the management of funding that is allocated to the LEP(s).
58. The Councils in Greater Lincolnshire currently manage three Joint Committees operating in the area, the Eastern Shires Purchasing Organisation (ESPO), East Midlands Shared Services (EMSS) and Northern Lincolnshire Business Connect (NLBC) has considered the operation of these in the analysis below.

### **Analysis**

59. The functioning of a Joint Committee depends upon goodwill and the desire for collaboration which characterises the current arrangements and therefore will not address the deficiencies associated with the status quo. Each authority would need to authorise and delegate functions to the Joint Committee. Councils are also able to withdraw the delegation at any point in the future which poses a significant risk in terms of a lack of stability and certainty which is required to enable long term, strategic economic decisions to be made.
60. Joint Committees cannot be accountable bodies for funding purposes, nor can they employ staff due to their lack of legal status. Ultimate responsibility for finances remains with the host council. This will not meet the ambitions of Greater Lincolnshire, which include both the devolution of funding and enhanced funding and finance powers.
61. Securing new investment and responding to a rapidly changing landscape requires local authority partners in Greater Lincolnshire to be able to act with agility and pace. If circumstances require further functions to be delegated to a Joint Committee than were originally agreed then it would not be possible for it to act in such a way because of the need for this to be agreed through the formal decision making processes at each of the constituent councils.
62. In conclusion, the establishment of a Joint Committee would not meet the ambitions for Greater Lincolnshire. The model represents a significant risk to partnership working which will impact on the ability to secure long term funding commitments. In

addition, the lack of legal status and financial accountability means that the same difficulties in accessing new funding and powers presented by status quo will be encountered. In addition, it would mean that Greater Lincolnshire would be unable to benefit from the devolution of central government powers to the benefit of the Greater Lincolnshire area.

### **Option 3: Establishing an Economic Prosperity Board.**

#### **Background**

63. Economic Prosperity Boards were introduced under the Local Democracy, Economic Development and Construction Act 2009 to enable the integration of economic development (but not transport functions).
64. As a statutory body, an Economic Prosperity Board would have legal personality and is thus considered by central government to provide a strong basis for taking on devolved powers and funding relating to economic development and regeneration; for example accountable body status for an economic development single pot or European Union funding.
65. Economic Prosperity Boards cannot impose levies on constituent authorities and do not have borrowing powers. The establishment of an Economic Prosperity Board is subject to the same process as for Combined Authorities.

#### **Analysis**

66. An Economic Prosperity Board could strengthen current partnership arrangements by providing a formal structure to lead collaboration between the Greater Lincolnshire local authorities on sub-regional economic development and regeneration. It could also provide a stable mechanism for strategic decision making on economic issues across the sub-region. This would be of some benefit because it would enable long term funding commitments to be made.
67. Economic Prosperity Boards can take a strategic view of economic development and where investment should be made to support long-term, sustainable economic growth across the area. They also enable trade-offs to be made at a strategic level, taking into account what is best for the area as a whole.
68. An Economic Prosperity Board would be a single body that could represent the economic needs and strengths of Greater Lincolnshire to partners and investors. It would also enable partnerships of authorities to demonstrate that they are committed to long-term joint working. It would facilitate transparency, accountability and visible leadership for sub- regional areas.

69. However, the major disadvantage of an Economic Prosperity Board is that it does not include transport functions. Transport is essential to the ambitions for growth in Greater Lincolnshire. The interdependencies between economic growth and transport are so significant that it would be irrational to establish a governance arrangement that addressed one area but not the other as it would prevent a fully integrated approach to the two areas. The need for separate governance arrangements to address transport issues would be cumbersome and would create a wasteful duplication of effort.
70. In addition, it would mean that Greater Lincolnshire would be unable to pursue a devolution deal.
71. It also worth noting that no Economic Prosperity Boards have been created to date, which means that there is no opportunity to learn from experience in other areas.

#### **Option 4: Establishing a Combined Authority**

##### **Background**

72. Combined Authorities were introduced under the Local Democracy, Economic Development and Construction Act 2009 (as amended by the Cities and Local Government and Devolution Act 2016) to exercise functions devolved from central government. A Combined Authority operates as a public body with its own legal personality, can impose a levy on constituent authorities and can borrow money for transport purposes.
73. It is important to note that Combined Authorities are not a merger of existing Local Authorities; existing local authorities continue to exist. Combined Authorities can take on functions with a very wide remit. In addition, the legislation allows for flexibility in establishing Combined Authorities with a model that suits local circumstances.

##### **Analysis**

74. The advantages of an Economic Prosperity Board previously outlined all apply to a Combined Authority as both options are formally constituted legal entities and would provide a stable mechanism for long term strategic decision making and a single body that can represent the needs of Greater Lincolnshire to investors and partners.
75. Both options enable a streamlining of arrangements to take on devolved powers from national Government and can have additional powers delegated to them from constituent councils if they choose to do so.
76. The significant difference between a Combined Authority and an Economic Prosperity Board, which makes the Combined Authority option much more attractive

for Greater Lincolnshire, is that a Combined Authority could have powers relating to any function [and can take devolved powers from central government].

77. The Combined Authority model would provide a simple means of fully aligning and coordinating a wide range of statutory functions including transport, planning, wider economic development and regeneration, and strategic planning, across a sub-region. This would mean that economic development and regeneration and transport initiatives could be aligned, co-ordinated and delivered swiftly and efficiently by a single body.
78. The creation of a Combined Authority will allow Greater Lincolnshire to realise its ambitions by bringing together, in a single legally recognised body, the key decision making powers for strategic transport and economic development and planning devolved from central government. It is impossible to separate these two functions, given their high level of interdependency and being able to present a coherent, long term vision across the two areas would facilitate long term planning designed to improve the economic conditions and performance of the area including an improvement in the effectiveness and efficiency of transport. This vision will be based on a single evidence base for the whole area, ensuring data and analysis relating to economic, planning and transportation matters are consistently defined, collected and applied.
79. A Combined Authority will enable a unified approach to insight, evidence and intelligence which will ensure that the understanding of the complex interdependencies between individuals businesses, jobs, skills, housing, health and financial dependence is of a higher quality thereby ensuring better use of resources on a local level.
80. A Combined Authority will enable a shared understanding about Greater Lincolnshire as a single economic area across the ten local authorities and would create a strategic framework for a wide range of statutory functions including economic development and transport which would ensure consistency in local decision making. It would also increase the control and influence of the constituent councils across the key drivers of economic growth.
81. A further advantage to the Combined Authority model is that it would provide a framework for a single, coherent response from Greater Lincolnshire to be made to national initiatives relating to planning or infrastructure. As a single entity, it would also enhance Greater Lincolnshire's ability to liaise with neighbouring areas on issues of mutual interest, particularly as a number of neighbouring areas are in the process of becoming Combined Authorities.
82. Indeed, a number of areas in the country have already established Combined Authorities, or are in the process of doing so. If Greater Lincolnshire choose not to establish a Combined Authority they risk getting left behind other areas and missing

out on crucial government funding, such as devolution deals, due to not having sufficiently robust governance arrangements in place

### **Option 5: Establishing a Mayoral Combined Authority**

#### **Background**

83. Building on the powers to establish Combined Authorities under the Local Democracy, Economic Development and Construction Act 2009, the Cities and Local Government and Devolution Act 2016 introduced the concept of Mayoral Combined Authorities enabling central government to fully devolve a wide range of powers.
84. It is important to note that Mayoral Combined Authorities are not a merger of existing Local Authorities. Mayoral Combined Authorities can have devolved a wider range of central government powers than Combined Authorities. A directly elected mayor will chair the Combined Authority.

#### **Analysis**

85. The Review finds that a Mayoral Combined Authority is the option which most fully permits for the effective discharge of the functions that Government is prepared to devolve to this area.
86. A Mayoral Combined Authority will provide a clear and effective platform for the more timely, effective and efficient exercise of statutory function through the creation of a single entity for the acceptance of devolved powers from central government and is consistent with H M Governments current devolution agenda.
87. A Mayoral Combined Authority also provides a potential future consolidation of the functions currently discharged by the Police and Crime Commissioner.  
A Mayoral Combined Authority affords additional precepting powers through the office of the Mayor and opens up further potential devolution funding opportunities.
88. A Mayoral Combined Authority will ensure a co-ordinated collaborative working with central government, through integration and effective strategic frameworks and delivery of investment plans. It will strengthen existing business partnership working through the Mayor being a member of the LEP.
89. The Mayoral Combined Authority is the only governance arrangement that will permit implementation of the Greater Lincolnshire Devolution Agreement and further devolution deals that maybe agreed in the future

## Summary of Preliminary Findings

90. The following table sets out an assessment of the options that have been considered by this review:-

Option	Evaluation	Rationale
Maintain the Status Quo	No	Maintaining the status quo would mean difficulties in accessing new funding and powers in line with the ambitions of the area. It would leave Greater Lincolnshire behind other areas and would therefore be likely to have a detrimental impact on the economy of the area in the future. It would not strengthen the governance processes which largely rely on informal arrangements.
Joint Committee	No	The establishment of a Joint Committee would strengthen the current partnership arrangements and place them on a more formal basis. However, there is a lack of stability and certainty which is unlikely to secure long term funding commitments. In addition, the lack of legal status and financial accountability means that the same difficulties in accessing new funding and powers presented by status quo are likely to be encountered.
Economic Prosperity Board	No	An Economic Prosperity Board would provide strategic direction and accountability for economic development and regeneration and would ensure that a single formal decision-making body was in place for this. However, strategic transport would not be included in these arrangements, thus greatly limiting the scope for increased effectiveness and efficiency.
Combined Authority	No	A Combined Authority would provide strategic direction and accountability for a wide range of devolved powers and ensure a single formal decision making body was in place. However, this model would not maximise the opportunities, both financial and functional, arising from the Government's devolution agenda.
Mayoral Combined Authority	Yes	In addition to the benefits of a Combined Authority, a Mayoral Combined Authority will provide a single point of accountability through a directly elected Mayor and permit the exercise of devolved powers arising from the Government's devolution agenda. This should deliver tangible benefits to the people of Greater Lincolnshire as defined in the Greater Lincolnshire Devolution Agreement.