



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**



Council

11 January 2024

Report of Councillor Richard Cleaver,
The Leader of the Council and Cabinet
Member for Property and Public
Engagement

Devolution for Greater Lincolnshire

Report Author

Charles James, Corporate Policy Officer

 Charles.James@southkesteven.gov.uk

Purpose of Report

To brief Council on the devolution deal for Greater Lincolnshire, as provisionally agreed between the Government and the local authorities of Lincolnshire County Council (LCC), North East Lincolnshire Council (NELC), and North Lincolnshire Council (NLC) on 22 November 2023, and to invite Council to engage with the consultation exercise and implementation process.

Recommendations

That the Council:

1. Notes the progress on the Greater Lincolnshire Devolution as part of the 'Level three deal' offer from the Government.
2. Requests officers to collaborate with other district councils and prepare a report and recommendations on the establishment of a Joint Committee for district councils, for presentation to Council on 29 February 2024.
3. Notes that a consultation is currently taking place, which closes on 29 January 2024, on the proposed devolution deal for Greater Lincolnshire and therefore invites the Council to consider its response to the consultation, on behalf of residents of South Kesteven.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	High performing Council
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 As a non-constituent member, there is no direct financial implications arising from the devolution proposal for South Kesteven District Council. There will be some modest costs incurred for the reimbursement of costs for members attending the suggested Joint Committee and other scrutiny boards.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 The devolution proposal will create a Mayoral County Combined Authority (MCCA) as included in the Levelling Up and Regeneration Act 2023. MCCAs are a new model of devolution introduced through this Act to reflect specific governance arrangements of areas with two-tier government. District and Borough Councils do not sign off the MCCA as that is the responsibility of the three Constituent Councils of LCC, NELC and NLC. A level three devolution deal does not change the current structure of local government in Lincolnshire.
- 1.3 It is proposed that District Councils will create a Joint Committee, to appoint four district representatives to the MCCA, and to act as a forum for district councils to consider matters connected to the functional competence of the MCCA.

- 1.4 There will be opportunities for district councils to appoint members to serve on a scrutiny panel, and several advisory boards establish to further partnership governance in areas linked to the functional competence of the MCCA.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

2. Background to the Report

- 2.1 The 2022 Levelling Up White Paper (LUWP) established the Government's current approach to devolution in England. This can be summarised as *'actions are best taken and coordinated locally where decision-makers have a finely grained understanding of local economies and the challenges they face. Yet the UK's centralised governance model means local actors have too rarely been empowered to design and deliver policies necessary to drive growth. This centralised approach has had several negative consequences for past efforts to level up. It under-utilises local knowledge, fails to cultivate local leadership and has often meant anchor institutions in local government have lacked powers, capacity and capability'*.¹
- 2.2 In response, the Government considers *'there is a need to widen, deepen and simplify devolution, building on this success (referring to Greater Manchester Combined Authority et al) and empowering greater numbers of local leaders. For the general public, this will mean greater control and clearer accountability over who is responsible for what and more decisions that shape their area being taken closer to home'*.²
- 2.3 To this end, Mission 12 of the LUWP states *'By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.'*³ The Levelling Up missions were instantiated into law by Levelling Up and Regeneration Act 2023.
- 2.4 The LUWP establishes the Government's Devolution Framework.⁴ To have access to the full suite of available powers and negotiate for more, local governance capacity, sophistication and democratic accountability must scale accordingly. For the last decade Government policy has been broadly consistent on this line. Enhanced powers, require enhanced scrutiny and accountability,

¹ Department for Levelling Up, Housing and Communities, Levelling Up the United Kingdom, Cp 604, The Stationery Office, 2022, p. 112

² Department for Levelling Up, Housing and Communities, Levelling Up the United Kingdom, Cp 604, The Stationery Office, 2022, p.135

³ Department for Levelling Up, Housing and Communities, Levelling Up the United Kingdom, Cp 604, The Stationery Office, 2022, p.121

⁴ Department for Levelling Up, Housing and Communities, Levelling Up the United Kingdom, Cp 604, The Stationery Office, 2022, p.140

thus an elected mayor is a requirement to unlock a Level 3 deal, the current max deal on offer.⁵

- 2.5 The LUWP considers devolution to be an ongoing process. Depending on the success of the initial deal there is the opportunity to deepen devolution and negotiate for additional powers and responsibilities in the future.
- 2.6 To ensure decisions are taken over a strategic economic geography, it is required that for any tier of devolution, the council or group of councils seeking devolution must have a combined population of at least 500,000.
- 2.7 The LUWP is clear that *'No authority will have a veto over the progress of neighbours who are prepared to move quickly and adopt strong governance models.'*⁶ In 2015-6 multiple devolution deals collapsed, including for Greater Lincolnshire, at the district level. The Levelling Up and Regeneration Act introduces a new governance model to remove the risk of an effective lower tier veto: a Combined County Authority (CCA). Only upper tier authorities may form and be constituent members of a CCA. A CCA with an elected mayor is known as a Mayoral Combined County Authority (MCCA).
- 2.8 A Level 3 devolution agreement for Greater Lincolnshire was announced by the Government on 22 November 2023. The proposed governance model is an MCCA with the constituent authorities being Lincolnshire County Council (LCC), North Lincolnshire Council (NLC) and North East Lincolnshire Council (NELC). The proposed agreement was agreed by Full Council meetings by the three constituent authorities by 4 December 2023. **There is no provision in legislation for district councils, as non-constituent authorities, to approve or otherwise the devolution agreement.** The devolution proposal is now subject to consultation, through to 29 January 2024.

3. Key Considerations

The Devolution Agreement

- 3.1 £28.4million has been allocated to Greater Lincolnshire for 2024/25, to be allocated prior to the MCCA being established in 2025.
- 3.2 The agreement provides for the devolution of strategy and budgets related to skills, providing local partners with the opportunity to focus on skills development for key local economic sectors.
- 3.3 The agreement also provides for devolution of multi-year transport budgets, with flexibility to allocate funds to local priorities.

⁵ Mark Sandford, 'Levelling Up and Regeneration Bill 2022-23: Progress of the Bill' (Research Briefing No CBP 9662, House of Commons Library 9 November 2022), p.19

⁶ Department for Levelling Up, Housing and Communities, Levelling Up the United Kingdom, Cp 604, The Stationery Office, 2022, p.137

- 3.4 The full proposed deal, a summary of the key points and the devolution proposal, which sets out the detailed proposals for consultation purposes are included in the background papers.

Governance for Devolution

- 3.5 The agreement provides for the establishment of a Mayoral County Combined Authority, chaired by a directly elected mayor. The constituent authorities (Lincolnshire County, North and North East Lincolnshire Unitary Councils) will each have two seats on the MCCA. District Councils will be allocated a total of 4 seats, via a joint committee of district council leaders.
- 3.6 District Councils will have voting rights other than in relation to transport and the mayor's administrative budget.
- 3.7 District Councils will be allocated seats on a scrutiny panel and several advisory boards.

Next Steps

- 3.8 The consultation process will conclude on 29 January 2024. Links to the consultation survey and information are provided in the background papers.
- 3.9 Review of the proposals based on consultation responses will be completed by the end of February 2024, leading to a submission to the Government in Spring 2024.
- 3.10 The Government is due to put in place an Establishment Order for the new arrangements by Summer 2024.
- 3.11 The Mayoral County Combined Authority is due to be established in late 2024, with the election of a Greater Lincolnshire Mayor in May 2025.
- 3.12 To engage proactively in the implementation of the new arrangements and the allocation of funds specified within the devolution agreement and proposal.
- 3.13 To provide timely public communication, enabling communities to engage in the devolution agenda for Greater Lincolnshire.
- 3.14 To request officers to collaborate with their counterparts at other district councils and prepare a report and recommendations on the establishment of a Joint Committee for district councils, for presentation to Council in March 2024.

4. Other Options Considered

- 4.1 Other options include not discussing this matter in Council. Greater Lincolnshire devolution is of significant public interest and will have an impact on South Kesteven District and the lives of all residents. Therefore, it would be inappropriate for Council to not discuss this issue or to not engage constructively with the other authorities.
- 4.2 However, the question of alternative options is academic to a degree. South Kesteven is not a constituent authority and is unable to approve or disapprove the proposed deal. Thus, it is not productive to suggest alternative models for

devolution. The Council could submit its support or opposition to the proposal as part of the consultation process, but ultimately the decision will lie with the upper tiers, subject to final approval by the Government.

5. Reasons for the Recommendations

- 5.1 There are inevitably a range of options that could be envisaged for devolution. Nevertheless, devolution based on a Mayoral County Combined Authority is the preferred Government option and the only route available for devolution for Lincolnshire at the current time. The agreement creates a platform for further negotiation with the Government leading to greater devolution of powers and resources in the future.

6. Background Papers

- 6.1 List any background papers and where they can be accessed.

- Devolution Agreement for Greater Lincolnshire - [Appendix A - Greater Lincolnshire devolution deal.pdf \(moderngov.co.uk\)](#)
- Greater Lincolnshire Devolution Proposal - [Appendix B - Greater Lincolnshire Combined Authority Proposal final.pdf \(moderngov.co.uk\)](#)
- Consultation Summary for Greater Lincolnshire Devolution - [Appendix C - Devolution Questionnaire.pdf \(moderngov.co.uk\)](#)
- Levelling Up White Paper 2022 - [Levelling Up the United Kingdom - GOV.UK \(www.gov.uk\)](#)
- Levelling-up and Regeneration Act 2023 - [Levelling-up and Regeneration Act 2023 \(legislation.gov.uk\)](#)
- A Breach & S Bridgett , Centralisation Nation: Britain's system of local government and its impact on the national economy, Centre for Cities, September 2022 - [Centralisation-nation.pdf \(resolutionfoundation.org\)](#)
- Devolution to local government in England, House of Commons Research Briefing - [SN07029.pdf \(parliament.uk\)](#)
- Levelling Up and Regeneration Bill 2022-23: Progress of the Bil, House of Commons Research Briefing - [CBP-9662.pdf \(parliament.uk\)](#)
- Institute for Government, 'Levelling Up' from the Centre - [levelling-up-from-the-centre.pdf \(instituteforgovernment.org.uk\)](#)