



To be submitted to the Council at its meeting on 14th December 2023

**SPECIAL MEETING
ECONOMY SCRUTINY PANEL
28th November 2023 at 6.30pm**

Present:

Councillor Freeston (in the Chair)
Councillors Cairns, Holland, Hudson, Sandford, Wilson and Wheatley.

Officers in attendance:

- Carolina Borgstrom (Director of Economy, Environment and Infrastructure)
- Anne Campbell (Scrutiny Advisor)
- Simon Jones (Assistant Director Law and Governance)
- Rob Walsh (Chief Executive)
- Sharon Wroot (Executive Director Environment, Economy and Resources, Section 151 Officer)

Also in attendance:

- Councillor Harness (Portfolio Holder Finance, Resources and Assets)
- Councillor Jackson (Leader of the Council and Portfolio Holder Economy, Net Zero, Skills and Housing)

There was one member of the public present.

SPE.38 APOLOGIES FOR ABSENCE

Apologies for absence from this meeting were received from Councillor Smith.

SPE.39 DECLARATIONS OF INTEREST

There were no declarations of interest received in respect of any item on the agenda for this meeting.

SPE.40 DEVOLUTION PROPOSAL FOR GREATER LINCOLNSHIRE

The panel considered a report from the Leader of the Council and Portfolio Holder for Economy, Net Zero, Skills and Housing on a proposed devolution deal for Greater Lincolnshire. There had been a recent all member event on the proposals, hence Mr Walsh briefly introduced the report and invited comment and questions from the panel.

Members raised the following issues:

Members commended the all-member event held on the 23rd November.

Members asked about the proposed power of an elected mayor (set out in the Proposal) to levy a precept, how this would work and how much it could be. The Leader signposted members to paragraph 44 (arrangements for exercise of mayoral combined county authority (MCCA) functions).

In response to a question, Mr Walsh explained that subject to the outcome and consideration of the public consultation, all three constituent authorities must support the implementation of the Proposal, for it to proceed. Final approval to implement rests with the Secretary of State for Levelling Up, Housing and Communities (DLUHC).

Regarding the mayor's business rate supplement and a 'ballot of businesses', Ms Wroot committed to provide a thorough answer in writing following the meeting.

In response to questions about the future and whether authorities could rescind their decisions to support the deal, Mr Walsh stressed that if the devolution deal proceeded then the Mayoral Combined County Authority would be created by legislation (a Statutory Instrument) and any future changes would require the amendment, modification or repeal of that legislation.

Regarding the consultation questionnaire and choice of questions, Mr Walsh advised that the questionnaire was designed via engagement with DLUHC officials and, importantly, with external legal advice to all three constituent councils.

In response to questions about highways schemes described in paragraphs 128 a, b and c and the lack of a local priority. The Leader advised that these were examples of schemes across the geography and did not exclude other proposals (from North East Lincolnshire) being put forward. The three schemes mentioned were picked out during a consultation process. Ms Wroot reminded the panel that the deal would span 30 years with an

annual budget allocation every year which would see many proposals going forward. Ms Borgstrom added that the deal text would not name any schemes but refer to connectivity, nodes and gateways. The Department for Transport has put back the A46 corridor from Grimsby to Newark. Ultimately, priorities in the Local Transport Plan will be key for a period of time.

Returning to the questionnaire, a member commented that there was a clear desire from the local authority, the Minister and Government to make devolution happen. It was the case that each section of the questionnaire was introduced by a statement that was positive towards devolution. The Leader stressed that this deal was in no way different from that which was proposed in 2016.

Regarding questions about arrangements for exercise of mayoral functions paragraphs 34-37, Mr Walsh assured the panel that proper controls would be in place.

A member queried MCCA functions, page 97 referring to the 'power to borrow up to an agreed cap', querying who would agree the cap and any borrowing amounts. Ms Wroot responded the process would be very much like it is in this council. The MCCA would be accountable and there would be a financial strategy and a medium-term financial plan and budget. It would be governed by the same regulations as any local authority and based on best value and Section 151 advice.

In response to a question about sources of income the Leader advised this was £24m each year; 50% capital and 50% revenue.

Regarding a question about political safeguards; specifically, the MCCA keeping money from councils with opposition administrations. Mr Walsh considered that sufficient proportionate safeguards were in place.

A member was concerned that the governance arrangements were weighted towards the south of Lincolnshire. North East Lincolnshire was relatively small (around 154k constituents); what safeguards were in place to avoid political isolation. Mr Walsh believed that technical safeguards were in place. For example, the principle that the (four) non-constituent members could not outnumber the (six) constituent members. Secondly that the mayor needs consent and decision of the MCCA on a number of key matters. Also, constituent authority membership was not based on population but parity. The Leader added that non-constituent members could not vote on issues outside their authorities' jurisdiction.

In response to questions about members' remuneration, Mr Walsh confirmed that the Proposal does not provide for MCCA members (Constituent, Non-Constituent or Associate) to be remunerated.

Regarding skills and employment, a member was concerned that they could see no mention of areas of deprivation or priority areas where skill levels were lower than average. North East Lincolnshire (NEL) struggled with higher numbers of low academic and skill levels amongst residents and they thought there was potential for NEL to miss out to other areas. Ms Borgstrom believed the move from national to devolved regional adult education budgets would serve NEL better. NEL had much more in common with its neighbours than with the national picture. Devolution would allow NEL to be involved in procurement and she expected that the area would fair better. The Leader reiterated these benefits.

In response to questions about 'drawing on constituent council expertise' (page 103) Mr Walsh confirmed that there must be a head of paid service, a section 151 officer and a monitoring officer. How these responsibilities were delivered varied from Combined Authority to Combined Authority.

RESOLVED - That the report and panel's comments be noted.

There being no further business, the Chair declared the meeting closed at 7.26 p.m..