

Economy and Transport Board – report from Cllr Peter Box CBE (Chair)

Spending Review - Growth

1. I was delighted to share a platform at the recent LGA conference in Manchester with Lord Heseltine and to hear his views on how well the Government had responded to his independent review on growth. He spoke the day after we launched the LGA's work on Rewiring Public Services, with a clear call for more levers of economic growth to be made available to local partners.
2. During his presentation Lord Heseltine stated that the £2 billion for the creation of the Single Local Growth Fund to be allocated to LEPs via a single pot was a "start". He emphasised that this was an opportunity for local government to prove itself; "If you can prove what you can do, this is a stepping stone to a revolution in the way this country is run."
3. Whilst Lord Heseltine had originally called for £49 million to be localised, Government has announced £2 billion which is expected to be operational in April 2015 and sustained each year of the next Parliament. My press comments on the day of the Spending Review announcement were: "Establishing a local growth fund is a step in the right direction to helping councils unlock their potential to drive economic recovery. However, the £2 billion a year announced by the Chancellor won't come close to the £70 billion recommended by Lord Heseltine in his growth report. Local government has great ambition to get on with the job of building homes, creating jobs, supporting businesses and investing in new infrastructure, but has been hamstrung by funding cuts. The latest 10 per cent reduction only serves to stifle growth further. We need Whitehall to make a more serious financial commitment to the growth fund otherwise this ambition won't materialise into the boost for local economies which this country desperately needs. We will be scrutinising the details of where this £2 billion has been sourced and it's also crucial that the bidding process is fair and transparent so all regions have the opportunity to better support their local economies."

LEPs at LGA Annual Conference

4. During annual conference, I chaired the "Making Your LEP Work" workshop. The session was very lively and a complete 'sell-out' with nearly 100 people in the room. Speakers included Cllr Nick Forbes, Leader of Newcastle City Council, Cllr Tony Jackson, Leader of East Herts DC, and David Marlow from Third-Life Economics. The debate centred on LEP geography and functional economic areas, accountability of devolved public sector funding and the wish for successive governments to stop tinkering with structures and let local government decide. A key message was the need for councils and local private sector partners to be able to 'get on with it' rather than wait for Government guidance or permission and to provide compelling evidence that councils can work at a sub-regional level to drive growth and are best placed to do so.

Local Growth Campaign at LGA Annual Conference

5. Conference also provided an opportunity to explore local economic growth across the Commonwealth and beyond. Along with colleagues from the European and International Board, Cllr Tony Ball, Vice Chair of the Board, was a panelist at a fringe event that enabled him to present Basildon's business and trade relationships with China, as well as his personal experience as a local leader of influencing wider policy around European-Chinese relations. The session was chaired by Cllr Dave Wilcox, Chair of the European and International Board and included representatives from the Commonwealth

Local Government Forum, UK Trade & Invest and the economic development agency for the city of Edmonton in Canada (via video link).

LGA Vice-Presidents lunch on economic growth

6. On 20 June, I, alongside Sir Merrick Cockell attended a lunch with a selection of the LGA's parliamentary Vice-Presidents to discuss the LGA's work around economic growth. This was one of a series of lunches being held throughout the month, covering the LGA's priority issues. Sir Merrick and I presented the LGA's emerging ideas around devolution of growth powers. Broad-ranging discussions with the parliamentarians then drew out the need for devolution to go further than local government; support for the LGA's work to address the skills mismatch and better align training and education with the job vacancies in existence; support for the LGA's desire to see a new relationship emerge between councils and their local universities; and support for ensuring LEPs are made fit for purpose and not redesigned following the next change of government.

Spending Review - Transport

7. The LGA has been successful in lobbying government for additional funds for roads maintenance. I wrote to the Rt Hon Danny Alexander MP, Chief Secretary to the Treasury, setting out the case for more funding and the government has committed a further £300 million per year for 6 years from 2015/16. This is very welcome although it still falls short of the £800 million annual spending gap identified by councils. The government also increased the local major transport scheme funding to £819 million per year from 2015/16 this represents a 118% increase on the 2010 spending review allocation. Again, this is very welcome and follows campaigning by the LGA and others on the importance of locally determined infrastructure investment for growth and jobs.

Select Committee - Parking Enforcement

8. On 8 July I appeared alongside Westminster Council, Nottingham Council and London Councils as part of the Transport Select Committee's investigation into local authority parking enforcement. The key points I made were that there has to be parking enforcement if we are to avoid gridlock in our towns and cities and, given that each area is unique, only local authorities can set parking charges at appropriate levels. The committee appeared receptive to these arguments and we await its report.

Centre for Public Scrutiny Annual Conference

9. On the 12 June, Deputy Chair of the Board, Cllr Mike Haines, chaired a workshop on the value of scrutiny to councils' work on economic growth and recovery at the Centre for Public Scrutiny Annual Conference. Delegates saw a number of ways in which scrutiny councillors could add value, either by maintaining an oversight of LEPs and ensuring that decisions being taken in partnership are robust, or by working collaboratively with LEPs (and other partnerships set up to promote economic growth, particularly in city regions) to explore the wider impacts of their decisions and to provide them with an evidence base to support their strategy.

Bus Partnership Forum

10. Cllr Tony Page and Cllr Ian Stewart attended the Bus Partnership Forum, which is chaired by Norman Baker MP, Minister for Local Transport. Members used the opportunity to press the Minister on the issues around the implementation of the Traffic Management Act Part 6. Members also spoke about the impact that the 10% cut in funding announced in the 2015/16 spending round will have on locally subsidised bus services. The Forum also discussed rural transport for young people. The LGA is

participating in a DfT/DEFRA convened group seeking to provide solutions to rural travel issues.

Highways Maintenance Efficiency Programme (HMEP) Conference

11. Deputy Chair of the Board, Cllr Roger Symonds, chaired a very successful joint HMEP, LGA conference on 10 July that showcased the excellent work being undertaken by authorities to achieve efficiencies in road maintenance. HMEP is a government funded improvement programme. The LGA provides Peer Challenge and information sharing and learning through the Knowledge Hub. The conference attracted portfolio holders and Directors of Environment. The key note speech was given by Norman Baker MP.

Select Committee Seminar

12. On 15 July, the Transport Select Committee convened a technical advisers seminar on local transport decision making in preparation for an up-coming inquiry. LGA officers attended and provided context to the committee based on the future funding outlook and the rewiring public services debate. Officers also set out the implications on the 2015/16 spending round, the current arrangements for decision-making including the role of LEPs and local transport bodies (LTBs) and the need to achieve further devolution and flexibility in funding.

Local Growth APPG

13. On 16 July, Cllr Heather Kidd gave oral evidence to the latest Local Growth APPG enquiry on LEPs' strategic and leadership capacity. Key messages from the LGA were that councils were willing and essential partners in LEPs, that LEPs could be more effective if Government devolved more to local authorities and that we should avoid facing local economic restructuring every time there is a change of national administration.