

City Regions Board

Agenda

Friday, 5 October 2018
11.00 am

Westminster Room, 8th Floor, 18 Smith
Square, London, SW1P 3HZ

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City Regions Board
5 October 2018

There will be a meeting of the City Regions Board at **11.00 am on Friday, 5 October 2018**
Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ.

Attendance Sheet:

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Apologies:

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3334	email: Labour.GroupLGA@local.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.grouplga@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Location:

A map showing the location of 18 Smith Square is printed on the back cover.

LGA Contact:

Amber Chandler
Amber.Chandler@local.gov.uk | 020 7664 3235

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City Regions Board

City Regions Board – Membership 2018/2019

Councillor	Authority
Conservative (5)	
Cllr. Abi Brown (Vice-Chair)	Stoke-on-Trent City Council
Cllr. Robert Alden	Birmingham City Council
Cllr. Tim Warren	Bath & North East Somerset Council
Sean Anstee	Trafford Metropolitan Borough Council
John Beesley	Bournemouth Borough Council
Substitutes	
Mark Weston	Bristol City Council
Labour (14)	
Sir Richard Leese CBE (Chair)	Manchester City Council
Cllr. Susan Hinchcliffe (Vice-Chair)	Bradford Metropolitan District Council
Cllr. Martin Gannon	Gateshead Council
Mayor Marvin Rees	Bristol City Council
Mayor Joe Anderson OBE	Liverpool City Council
Cllr. Jon Collins	Nottingham City Council
Cllr. Peter John OBE	Southwark Council
Cllr. Timothy Swift MBE	Calderdale Metropolitan Borough Council
Cllr. Debbie Wilcox	Newport City Council
Cllr. Sue Jeffrey	Redcar & Cleveland Borough Council
Cllr. Roger Lawrence	City of Wolverhampton Council
Cllr. Darren Rodwell	London Borough Barking & Dagenham
Julie Dore	Sheffield City Council
Linda Thomas	Bolton Council
Substitutes	
Sara Rowbotham	Rochdale Metropolitan Borough Council
Shama Tatler	Brent Council
Shaun Davies	Telford and Wrekin Council
Iain Malcolm	South Tyneside Metropolitan Borough Council
Dan Price	Warrington Council
Liberal Democrat (2)	
Cllr. Abigail Bell (Deputy Chair)	Hull City Council
Cllr. Paul Crossley	Bath & North East Somerset Council
Substitutes	
Ben Dowling	Portsmouth City Council
Independent (1)	
Cllr. Clarence Barrett (Deputy Chair)	Havering London Borough Council

<i>Substitutes</i>	
Jason Zadrozny	Ashfield District Council
Phelim MacCafferty	Brighton & Hove City Council

Agenda

City Regions Board

Friday 5 October 2018

11.00 am

Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ

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Date of Next Meeting: Monday, 19 November 2018, 1.00 pm, Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ

Membership and Terms of Reference for 2018/19

Purpose

For discussion and decision.

Summary

For members to note the membership and agree the Terms of Reference of the City Regions Board for 2018/19.

Recommendation

The City Regions Board is asked to:

1. Note the membership of the Board for 2018/19;
2. Agree the Board's Terms of Reference for 2018/19; and
3. Agree to Membership of any Outside Bodies

Action

Officers to take any actions as required.

Contact officers: Amber Chandler
Position: Member Services Officer
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E-mail: amber.chandler@local.gov.uk

City Regions Board – Membership 2018/2019

Councillor	Authority
Labour (14)	
Sir Richard Leese CBE (Chair)	Manchester City Council
Cllr. Susan Hinchcliffe (Vice-Chair)	Bradford Metropolitan District Council
Cllr. Martin Gannon	Gateshead Council
Mayor Marvin Rees	Bristol City Council
Mayor Joe Anderson OBE	Liverpool City Council
Cllr. Jon Collins	Nottingham City Council
Cllr. Peter John OBE	Southwark Council
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Independent (1)	
Cllr. Clarence Barrett (Deputy Chair)	Havering London Borough Council
Substitutes	
Cllr. Jason Zadrozny	Ashfield District Council
Cllr. Phelim MacCafferty	Brighton & Hove City Council

Terms of Reference: City Regions Board

1. The City Regions Board represents the interests of cities and city-regions. Its remit includes place-based inclusive growth, devolution, the implications of Britain's departure from the European Union for metropolitan areas, skills and employment support, public service reform and wider issues relating to urban leadership and development.
2. The Board should seek to involve councillors in supporting the delivery of these priorities (through task groups, Special Interest Groups (SIGs), regional networks and other means of wider engagement); essentially operating as the centre of a network connecting to all urban councils and drawing on the expertise of key advisors from across the sector.
3. The City Regions Board's responsibilities include:
 - 3.1. Ensuring the priorities of metropolitan councils are fed into the business planning process.
 - 3.2. Developing and overseeing a work programme to deliver the business plan against agreed priorities relevant to their brief, covering lobbying, campaigns, research, improvement support in the context of the strategic framework set by Improvement & Innovation Board, and events, linking with other boards where appropriate.
 - 3.3. Sharing good practice and ideas to stimulate innovation and improvement.
 - 3.4. Representing and lobbying on behalf of the LGA including making public statements on its area of responsibility.
 - 3.5. Building and maintaining relationships with key stakeholders.
 - 3.6. Involving representatives from councils in its work, through task groups, Commissions, SIGs, regional networks and mechanisms.
 - 3.7. Commissioning LGA officers and resources, where appropriate, to respond to specific issues referred to the Board by one or more member councils or groupings of councils.
4. The City Regions Board may:
 - 4.1. Appoint members to relevant outside bodies in accordance with the Political Conventions.
 - 4.2. Appoint member champions from the Board to lead on key issues, with responsibility for liaising with portfolio holders on key issues that require rapid response/contact with councils.

Work Programme

5. The Board to set its own work programme which is agreed at the start of each meeting cycle in early Autumn.

Quorum

6. One third of the members, provided that representatives of at least 2 political groups represented on the body are present.

Political Composition

7. Membership of the City Regions Board is drawn from the Core and Key cities, SIGOMA and London Boroughs, and is reflective of those in Combined Authorities or seeking devolution deals.
8. The Board has 22 members and its make-up reflects the political proportionality of the wider group of councils from which the membership is drawn. This differs from the seven policy boards, whose make-up reflects the political proportionality of the Association as a whole.
9. The chair has been appointed from the largest group on the Board and falls within the LGA's own proportionate allocations. In line with the LGA's political conventions, the remaining groups each have a vice or deputy chair.
10. The composition by political party is recalculated each year and reflects the political proportionality of the wider group of councils from which their membership is drawn. The current composition is:

10.1	Conservative group:	5 members
10.2	Labour group:	14 members
10.3	Independent group:	1 member
10.4	Liberal Democrat group:	2 members

11. Substitute members from each political group may also be appointed.

Frequency per year

12. Meetings to be held five times per annum.

Reporting Accountabilities

13. The Board will report annually to the LGA Executive at the July meeting.



City Regions Board – Draft Work Programme 2018/19

Purpose of report

For discussion.

Summary

This report sets out a draft work programme for the period to July 2019.

Recommendation

Board Members are asked to consider the draft programme and, subject to their comments and amendments, agree that it be confirmed as the City Regions Board's work programme for 2018/19.

Action

Officers to incorporate Members' comments into the work programme.

Contact officer: Philip Clifford
Position: Senior Advisor
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Email: Philip.Clifford@local.gov.uk

Overview

1. The City Regions Board represents the interests of urban authorities. It provides a forum for leaders from metropolitan areas to discuss issues of common priority and a platform from which to advance the policy interests of cities and city regions across England and Wales at the national level. Together with the People and Places Board it covers a wide range of policy areas, in contrast with the majority of other LGA boards which focus on particular agendas such as social care, community safety or finance.
2. The Board was established within the context of a national Government actively in favour of devolution to local areas, most notably through a series of devolution deals with groups of councils across the country. Through this process there are now ten signed devolution deals and seven Mayoral Combined Authorities. The eighth Mayoral Election will take place in North of Tyne in May 2019.
3. Both the Board's membership and policy focus reflect this context, with significant representation from those areas at the forefront of the devolution agenda and a unique cross-cutting work programme that seeks to capture not only place-based issues relevant to cities and city-regions, but also those policy areas where the case for further devolution might best be made.
4. The next few months are likely to see both Whitehall and Westminster continue to be dominated by preparations relating to the UK's Withdrawal from the EU on 29 March 2019. In anticipation that the UK's departure will be followed at some point before May 2022 by a General Election there are signs that political parties and their aligned think-tanks are already beginning to develop policies suitable for inclusion in future party manifestos.
5. Throughout this period the onus will be on local government to continue to make the case for devolution. The City Regions Board has a crucial role to play in driving this agenda and the draft work programme set out below, provides a framework for achieving this over the short, medium and longer term.
6. Members are asked to consider this report and agree, subject to their amendments, that it be confirmed as the City Regions Board work programme for 2018/19.

Strategic priorities for 2018/19

7. It is proposed that the primary objective of the City Regions Board remains the devolution of power and resources to local government. For those specific policy issues that lie outside this focus, but which the Board's membership believe to be of particular relevance to urban authorities it is proposed that in the first instance the priority will be to determine which LGA policy board, if any, has responsibility for this issue and what opportunities there are to contribute to ongoing and future activity.

8. The exception to this general approach will be those areas of interest shared with the People and Places Board, which represents the interests of non-metropolitan and rural authorities. In these cases, as is currently the case with skills and employment policy the presumption will be in favour of seeking to establish a joint position.
9. Reflecting the national context, the composition of the Board and its urban place-based focus it is therefore recommended that the 2018/19 work programme has four components:
 - i. **Delivering devolution** – overseeing work to support the delivery of devolution deals already agreed and to ensure that the lessons from those in the ‘vanguard’ are captured and shared with councils more widely;
 - ii. **Driving devolution** – advancing the case for devolution through national Government’s place-based growth agenda e.g. the Industrial Strategy and on a Department-by-Department basis, such as skills and employment and trade and investment;
 - iii. **Future devolution** – building the policy arguments and stakeholder networks to support devolution that goes beyond the current Government’s ambitions e.g. greater fiscal autonomy, with a view to influencing future manifestos.
 - iv. **Urban leadership** – assembling a coalition of interested and relevant parties to consider and re-articulate the distinct concerns and opportunities of urban authorities across England to a national audience

Delivering devolution

10. The seven mayoral combined authorities represent the current high-point of national Government’s approach to local devolution. Their success is important not just for the councils, residents and businesses that make up each of the combined authority areas, but also for the rest of the country as Parliament, Whitehall and the public will, to varying degrees, wish to evaluate their achievements before devolving power more widely or indeed more deeply.
11. Reflecting this and the context set out above, it is proposed that, as set out in the report to the last board of the 2017/18 cycle the main focus of the LGA’s devolution improvement support offer this year will be to provide support to deliver for established combined authorities. The support offer also includes guidance for those without a devolution deal wishing to pursue devolution both within and outside the combined authority model.
12. Given the expertise and experience of the Board it is proposed that members might play a useful a role in overseeing the LGA’s devolution improvement and support offer in a number of areas, including:

1. The dissemination of learning arising from the negotiation, implementation and delivery of devolution deals
2. Assisting local efforts to strengthen relationships within combined authority areas between combined authorities and local councils,
3. Developing the combined authority peer review process, which builds on the LGA's current peer challenge and support offer to reflect their scope and institutional novelty.

Driving devolution

- 12 Despite the apparent 'pause' in the Government's devolution agenda there remain opportunities within the short to medium term to push for the transfer of power and resources to local areas.
- 13 First and foremost amongst these opportunities is the Government's Industrial Strategy, which represents both the firmest commitment by national government to a place-based growth agenda and the greatest opportunity for engagement across Whitehall and with local anchor institutions such as universities and the NHS.
- 14 The Industrial Strategy has three place-based components: the Local Enterprise Partnership Review, Local Industrial Strategies and the UK Shared Prosperity Fund. Although the precise relationship between reforms within each of these elements has yet to be clearly articulated it will be important for the Board to shape this agenda as a key opportunity to unlock devolved funding for local growth and securing Departmental collaboration on local policy interventions such as skills and employment support. A report to the first board meeting of the year will provide an update on the latest developments in this area.
- 15 Second, the 2017 Conservative Manifesto proposed a new Common Devolution Framework, widely interpreted as a mechanism for securing devolution outside the combined authority governance model. While the difference in focus between the Devolution Framework and the Industrial Strategy is as yet unclear, early indications suggest that it may provide an opportunity to explore public service reform and elements of devolution that sit outside the economic growth agenda. Given the expertise of the Board there is a clear opportunity to influence the development of this framework and re-engage Departments across Whitehall to support the devolution of services and resources.
- 16 Third, alongside the People and Places Board it is proposed that the City Regions Board will continue to advance the role of local government in driving inclusive growth on a Departmental basis, reflecting both the priorities of members and the potential traction to be gained with Ministers.
- 17 Priority areas of work over the next year for the board to consider and contribute to include:

- 17.1 Influencing the design and roll-out of the Industrial Strategy, which has three key place-based components – the Local Enterprise Partnership Review, Local Industrial Strategies and the UK Shared Prosperity Fund. Ensuring areas across the country have an equal opportunity to develop ambitious and credible plans for growth that garner the support of Government, are backed by robust local governance arrangements that make the most of existing partnerships and are underpinned by devolved funding for growth that better reflects the need of local communities.
 - 17.2 Influencing the development of the Government’s ‘Devolution Framework’, now expected to be published in the autumn and drawing on the experience of councils with devolution deals to ensure those without a deal are best able to make the most of this opportunity
 - 17.3 Continuing to advance the arguments in favour of skills and employment devolution, pressing government to fully implement Work Local, the LGA’s positive proposal for change, working with the Department for Education to deliver the post-16 skills partnership through the combined authorities and non-combined authorities working groups and using the LGA’s Skills Taskforce to build an expanded coalition of stakeholders outside the local government sector to support the LGA’s proposals for skills and employment devolution.
 - 17.4 Developing the LGA’s approach to trade and international investment, by working with the Department for International Trade to understand and strengthen the existing sub-national trade and investment landscape, building an evidence base of place and sectoral priorities for future trade deals and agreeing with Government how the views and international relationships of local government might be harnessed during these deals.
- 18 Given the experience and position of City Regions members within the devolution debate, it is proposed that the Board consider whether there are any other policy areas where specific proposals for devolution might be developed on a Departmental basis in the short term.

Future Devolution

- 19 In anticipation of both the opportunities and challenges following Britain’s departure from the EU, the inherent limitations in the medium term resulting from the current national political context and the time required to develop credible and coherent policy proposals there are a number pieces of work that will benefit from being developed over the next board cycle with a view to influencing the first General Election post-EU Exit.
- 20 Priority areas of work over the next year for the board to consider and contribute to include:
 - 20.1 Developing the detail of work to support arguments in favour of fiscal autonomy

- 20.2 Strengthening the Board's practical understanding of how best to make the case for further devolution to politicians and the wider public, for example by drawing on case studies that provide of international comparisons of devolution.
- 20.3 Restarting the debate on the 'English question', recognising that the current UK devolution settlement stops at Westminster, Stormont Bay and Holyrood, which means that English communities lack an equivalent voice in UK law-making. Building support for local communities across the UK to have an equal right to take control of the key decisions that affect their lives, by bringing forward draft legislation such as an English Devolution Bill to enhance the devolved powers of all areas in England.

Urban Leadership

- 21 As highlighted elsewhere in this paper, the UK's exit from the European Union has come to dominate the national conversation and looks set to do for many months to come. While there has been some recent evidence of urban issues resonating on the national stage, for example following the disruption to Northern Rail's train service, there remains a sense that more might be done to articulate a compelling vision for English cities and urban authorities that harnesses their distinctive position and gains traction with national and local stakeholders.
- 22 The City Regions Board has representatives from a number of membership organisations concerned with the development of urban policy, including: London Councils, Key Cities and Core Cities. More widely there are a number of think tanks and academics with expertise and interest in advancing the urban agenda, including the newly formed Centre for Towns.
- 23 Recognising the Board's unique co-ordinating role, it is proposed that the Board consider assembling a coalition of relevant parties, to determine whether and how best to make a case for urban authorities within the national and international context and with a view to influencing future party manifestos and the wider policy and media agenda.
- 24 More detailed proposals regarding this work will be set out in a separate paper to the first Board.



Forward Look

25 While many of issues that form part of this work programme are sensitive to sudden changes in national policy and indicate forward look at the agenda for Board meetings until January 2019 is set out below:

Friday 5 October	Work Programme
	Industrial Strategy
	Urban Leadership
Monday 19 November	Trade and International
	Urban Leadership
	Devolution Framework
	Devolution Improvement/Support
Friday 25 January	UK Shared Prosperity Fund
	Brexit
	Urban Leadership
	Skills

Next Steps

26 Lead Members are asked to consider the draft programme above and, subject to their comments and amendments, agree that it be put before the City Regions Board as the Board's proposed work programme for 2018/19.



Urban Leadership

Purpose of report

For direction.

Summary

This report advances the proposal set out in the City Regions Draft Work Programme 2018/19 to assemble a coalition of interested parties and representative bodies and make the distinct case for urban authorities on the national stage.

Recommendation

Members of the City Regions Board are asked to:

Consider the four options, set out in more detail below, and agree which of these should be taken forward for further development.

Action

Officers to develop the agreed option in line with Members' direction for further discussion with Lead Members and Elected Officials from relevant representative bodies.

Contact officer: Philip Clifford
Position: Senior Adviser
Phone no: 07909 898327
Email: Philip.Clifford@local.gov.uk

Urban Leadership

Overview

1. The United Kingdom's impending exit from the European Union continues to consume an overwhelming proportion of the political and administrative capacity of Government. The pace of devolution has slowed, with no new devolution deals agreed since the Autumn Budget in November 2017 and the national pre-eminence attached to the economic success of cities and city regions has softened.
2. In the likely absence of a swift and sudden change in context it falls to councils to consider their future position. Including, whether more might be done by local leaders to articulate a compelling vision for cities and urban authorities that harnesses their distinctive identity and gains traction with national and local stakeholders.
3. The City Regions Board has representatives from a number of membership organisations concerned with the development of urban policy, including: London Councils, Key Cities and Core Cities. More widely there are a number of think tanks and academics with expertise and interest in advancing the urban agenda, including the newly formed Centre for Towns.
4. Recognising the Board's unique sector-wide co-ordinating role, the Board's Draft Work Programme for 2018/19 proposes assembling a coalition of interested and relevant parties to consider and re-articulate the distinct concerns and opportunities of urban authorities across England to a national audience.
5. With a view to securing early engagement with Members this paper provides a number of initial options for consideration by the Board, which might be further advanced by the stakeholders highlighted above, if Members are content to proceed as proposed.

Context

6. The central proposition underpinning this ambition is a desire to bring urban authorities and their representatives together and, where possible, identify those policy issues where they might speak effectively with a single voice.
7. It is a matter for discussion and further research as to what those areas of common agreement might be. There is likely to be a degree of common interest to be found in both implemented and proposed devolution deals across the relevant parties, including: decentralised skills and employment, fiscal autonomy, the need for inclusive growth and attracting international trade and investment.

8. These proposals could serve as a useful starting point for further development. Equally, the Board may wish to explore aspects of urban leadership that sit outside a narrow focus on economic growth and productivity, such as the consequences of austerity on public service provision and the persistence of social issues, including those related to health and housing.
9. It has been suggested that the upcoming Spending Review in 2019 provides a useful milestone for this work. While Departments are currently engaged in drawing up their plans, very little is currently known about the timing and scope of the Review, including how many years it will cover, or indeed when it will take place. However, we do expect the quantum of the UK Shared Prosperity Fund to be confirmed as part of the Spending Review, if not necessarily the local allocation methodology.

Options

10. Four potential options for next steps to take forward this proposition are:
 - 10.1 An internal LGA-resourced commission similar to the [People and Places Board's Post Brexit England Commission](#), which is currently running over a period of two years and will produce its final report in July 2019. This approach would have the benefit of generating a substantial body of evidence, of attracting national visibility, and leveraging the wider corporate support of the LGA. It would afford Board members a greater degree of control regarding the final output and its costs could likely be met within existing LGA staffing and budget resources. However, it would have to work within the LGA's established political and policy framework and, potentially, would impact on the wider work programme of the Board.
 - 10.2 An external commission similar to the RSA's [City](#) (2014) and [Inclusive Growth](#) (2016) Commissions. Both of these were substantial projects, funded and supported by a range of organisations, including the LGA, London Councils, Core Cities and Key Cities and each took about a year to complete. This approach would have the benefit of attracting 'heavy-weight' political and technical expertise and potentially draw in a greater number of external partners. It would require less LGA staff time, but would incur a greater financial cost. It would be independent and able to make recommendations outside established policy lines. It could also potentially take some months to put together the necessary funding before any commission was able to commence.
 - 10.3 An event or publication that looks to take forward thinking around the City Region Board's commissioned research into messaging that supports further and fiscal devolution, but with a focus on public leadership in urban authorities. This would cover less policy terrain than the two options above, but could potentially cut through on an innovative and challenging subject that directly concerns elected members, and which arguably sits outside their capacity to tackle individually. The role of the LGA could be to provide thought leadership and policy advice, potentially supported by a small scale independent research commission. Based

on previous experience and current resources it is suggested that this approach would be able to produce outputs by late spring 2019.

- 10.4 As an initial step, a narrower piece of work that aims to agree joint lobbying lines arising from the overlap of existing policy positions of representative bodies. As indicated above, current and proposed devolution deals could provide a useful starting point for this option, but would not necessarily provide the entire set of subject material. Rather than seek to determine these lines the role of the LGA would be to convene relevant parties and facilitate a discussion, a view might then be taken on the extent to which these lines might be supported by the LGA on a national cross-party basis. This approach would likely be quickest and least resource intensive of the four options to undertake with outputs ready in early 2019.
- 11 Members will note that of the four options outlined above, the indicative timings suggest that only two (options three and four) are likely to have any real impact on a Spending Review held in 2019. Based on previous experience options one and two are more likely to have impact on a subsequent General Election.

Next steps

- 12 **Members of the City Regions Board are asked to consider the four options set out above and agree which of these should be developed in advance of further discussion with Lead Members and Elected Officials of the relevant representative bodies.**

Industrial Strategy Update

Purpose

For discussion and direction.

Summary

This paper provides an update on recent developments with the Government's Industrial Strategy and outlines proposed next steps relating to the key place-based elements of the Industrial Strategy - the Government's Review of Local Enterprise Partnerships, the development of Local Industrial Strategies and the design of the UK Shared Prosperity Fund.

Given the pace of developments across these three areas of policy, officers will provide a verbal update on any further developments at the Board.

Recommendations

Members of the City Regions Board are asked to consider the developments and proposed next steps in relation to:

1. The Government's Review of Local Enterprise Partnerships (**paras 3-14**);
2. The development of Local Industrial Strategies (**paras 15-22**); and
3. The design of the UK Shared Prosperity Fund (**paras 23-31**).

Action

Officers to proceed with next steps in line with members' steer.

Contact Officer: Dan Gardiner
Position: Adviser
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Email: daniel.gardiner@local.gov.uk

Background

1. On 27 November 2017 the Government published the Industrial Strategy White Paper which set out the Government's plans for supporting Britain's industrial sectors, improving productivity, driving growth across the country and making British business more competitive.
2. This paper provides an update on and proposes next steps relating to the three key place-based components of the Industrial Strategy - the Government Review of Local Enterprise Partnerships, the development of Local Industrial Strategies and the design of the UK Shared Prosperity Fund.

Government Review of Local Enterprise Partnerships (LEPs)

3. In the White Paper, the Government announced it would be 'reviewing the roles and responsibilities of LEPs and will bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries.' This Review was overseen by the LEP Advisory Panel, established by Jake Berry MP and Margot James MP in December 2017.
4. Two of the invited members of the Panel were LGA Lead Members - Cllr Judith Blake CBE (Leader of Leeds City Council and Lead Member of the Environment, Economy, Housing and Transport Board) and Cllr Anne Western CBE (Derbyshire County Councillor and then Lead Member of the People and Places Board).
5. In addition to LGA representation on the LEP Advisory Panel, a joint letter was submitted to the panel on behalf of the Chairs of the City Regions, People and Places and Environment, Economy, Housing and Transport Boards. This letter highlighted the key areas that local government wanted to see addressed through the LEP Review and outlined suggested recommendations in accordance with these.
6. Following the publication of the White Paper, the LGA also engaged with the LEP Network to discuss opportunities for collaboration on the LEP Review as well as the key place-based announcements contained in the White Paper, such as the introduction of Local Industrial Strategies. This was subsequently reflected in a joint press release published by the LGA and the LEP Network that outlined our commitment to joint working in these areas.¹
7. In March, the LGA hosted a roundtable event with the LEP Network which provided an opportunity to identify common ground between councils and LEPs in relation to the Industrial Strategy and to consider how these can be most effectively communicated to the Government. The key output from this event was a joint letter to Greg Clark, Secretary of State for Business, Energy and Industrial Strategy. The letter outlined our shared priorities for the Industrial Strategy including the need for skills devolution and unified growth funding.

¹ www.local.gov.uk/about/news/lga-and-lep-network-joint-working-commitment

8. The LEP Advisory Panel met for the fourth and final time in May and the conclusions of the LEP Review were published in July in the 'Strengthened Local Enterprise Partnerships' policy paper.² This paper stated that the Government would aim to:
 - 8.1. Agree Local Industrial Strategies with all areas of England by early 2020 and "publish a further statement on Local Industrial Strategies to inform locally-led development across the country";³
 - 8.2. Establish "more representative" LEP boards of a maximum of twenty people with the option to co-opt up to five additional Board members. The Government's stated aspiration is that two-thirds of board members should be from the private sector;
 - 8.3. Ask LEP Chairs and other local stakeholders to come forward with considered proposals by the end of September on "geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers";
 - 8.4. Introduce a number of measures to strengthen accountability, including the development of "a LEP sector-led approach to assessing and improving performance through regular peer review" and support to LEPs to "set out how they will ensure external scrutiny and expert oversight, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions";
 - 8.5. Take steps relating to the role of LEPs in Mayoral Combined Authority (MCA) areas, including "encouraging LEPs and MCAs to move towards coterminous geographies where appropriate in line with the wider discussions on LEP geographies";
 - 8.6. Provide up to £20million in 2018-19 and 2019-20 in additional capacity funding to "support LEPs to implement the review and to provide the strategic and analytical capability to develop ambitious Local Industrial Strategies";
 - 8.7. Publish a statement on the role and responsibilities of LEPs that will focus on enhancing productivity; and
 - 8.8. Offer an induction and training programme for LEP board members and officers on working with Government that will be developed with the LEP Network, the LGA and other professional development bodies.
9. In response to the publication, the LGA issued a response that covered the following key points.⁴

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728058/Strengthened_Local_Enterprise_Partnerships.pdf

³ Mayoral Combined Authorities will have a Local Industrial Strategy (LIS) led by the mayor and supported by LEPs. For parts of England without a mayor, their LIS will be led by the LEP.

⁴ The LGA's full response can be found here: <http://www.local.gov.uk/about/news/lga-responds-new-government-proposals-local-enterprise-partnerships>

- 9.1. The LGA welcomed the confirmation following recent joint calls for this from the LGA and the LEP Network that every area will be invited to develop a Local Industrial Strategy in partnership with the government.
 - 9.2. The Government's proposals on LEP board composition risk diluting the views of local people and undermining the role and investment that local authorities make in the success of their local economies.
 - 9.3. While it is important that the structure and governance of LEPs reflects the need for transparency and accountability highlighted by the Ney Review, on their own these changes will do little to help the country to match the productivity levels of its rivals.
 - 9.4. Only a devolved, streamlined, local solution to skills provision can help bridge the productivity gap globally. This must be backed by a UK Shared Prosperity Fund that is at least equal in quantum to current EU funds and does not result in a gap at the end of EU Funding. This fund should be flexible, localised, and based on the needs of local places and communities.
10. The Government has asked Local Enterprise Partnership Chairs and other local stakeholders to come forward with considered proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.
 11. An overview of the publicly-available geography proposals considered by LEP Boards will be **tabled at the Board meeting**.
 12. It has also stated that Government will respond to these proposals in the autumn and future capacity funding will be contingent on Ministerial approval of these proposals.
 13. In light this and the wider findings of the Government Review of LEPs, it is proposed that next steps for the LGA's activity relating to LEPs includes the following:
 - 13.1. Understanding the broad parameters of emerging proposals related to geography and considering the implications for local authority leadership and representation.
 - 13.2. Continuing to emphasise the importance of local leadership from councils in driving local growth as well as highlighting the importance of public sector representation on LEP Boards to both government and the LEP sector;
 - 13.3. Continuing to engage with the LEP Network to explore how local partnerships might be supported to implement elements of the LEP Review; and
 - 13.4. Considering how other elements of the LGA's Industrial Strategy work can strengthen joint working between councils and LEPs, such as activity relating to Local Industrial Strategies and the UK Shared Prosperity Fund.
 14. **Members are invited to comment on the proposed next steps for the LGA's work relating to the LEP Review.**

Local Industrial Strategies

15. The key place-based announcement contained in the White Paper was the introduction of Local Industrial Strategies. The White Paper outlined that places in England with a Mayoral Combined Authority will have a Local Industrial Strategy (LIS) led by the mayor and supported by LEPs. For parts of the country without a mayor, the development of the LIS will be led by the LEP.
16. At previous meetings, Members of the City Regions and People and Places Board have highlighted the need for further guidance on Local Industrial Strategies and requested confirmation from government that all parts of the country will be invited to develop a LIS.
17. These are issues that the LGA has continued to push for further clarity on through its engagement at political and official levels.
18. Following the attendance of senior BEIS officials at the Boards in June, the LGA submitted a joint letter with the LEP Network to Greg Clark, Secretary of State for Business, Energy and Industrial Strategy. This letter sought confirmation that all areas would be invited to develop a LIS by government.
19. Following this engagement, the Government confirmed in the LEP Review publication that it will aim to agree Local Industrial Strategies with all areas of England by early 2020. It also committed to publishing a policy prospectus on Local Industrial Strategies over the summer to guide locally-led work. We understand that the policy prospectus will set out the objectives, policy rationale and approach to developing Local Industrial Strategies and will be accompanied by progress statements from Greater Manchester and the West Midlands that will set out the extent of cross-Whitehall support for LIS development.
20. In July, the Government also announced that the North East, Tees Valley, West of England, Leicester & Leicestershire, Cheshire & Warrington and the Heart of the South West will be the second wave of areas to work with government to develop their Local Industrial Strategies. This follows the first set of LIS trailblazers in Greater Manchester, the West Midlands and the Cambridge-Milton Keynes-Oxford corridor.
21. Now that it has been confirmed that all areas will agree a LIS with government, it is proposed that the LGA's engagement with Whitehall now seeks to secure clarity on the following areas for councils:
 - 21.1. Understanding the links between Local Industrial Strategies and other key areas of local growth policy including: the UK Shared Prosperity Fund, the LEP Review and the devolution framework;
 - 21.2. Ensuring that Local Industrial Strategies are a vehicle to securing the necessary powers and adequate funding for local leaders to deliver successful and inclusive economies and that these efforts are supported across Whitehall departments; and
 - 21.3. Clarifying the approach to future phasing of Local Industrial Strategies and how this will be structured to both meet proposed timeframes and ensure that those

areas involved in later phases are not disadvantaged both in relation to the support provided to develop their LIS and the powers and resources awarded following agreement of their LIS.

22. Members are invited to comment on the LGA's priorities for engagement relating to Local Industrial Strategies.

The UK Shared Prosperity Fund

23. The Government has pledged to create a UK Shared Prosperity Fund (UKSPF) to replace EU funding. In a written statement delivered in July,⁵ James Brokenshire, Secretary of State for the Ministry of Housing, Communities and Local Government, provided an update on the UKSPF in which he stated that the Fund would aim to:

23.1. **Tackle inequalities** between communities by **raising productivity**, especially in those parts of our country whose economies are furthest behind;

23.2. Be a **simplified, integrated fund** to ensure that investments are targeted effectively and supported by strong evidence about what works at the local level; and

23.3. **Respect the devolved settlements** in Scotland, Wales and Northern Ireland.

24. The written statement also referenced the preparation of Local Industrial Strategies which will enable local areas to prioritise long-term opportunities and challenges to increasing productivity. It states that this prioritisation will help local areas decide on their approach to maximising the long-term impact of the UKSPF once details of its operation and priorities are announced in the Spending Review.

25. Finally, the written statement announced that the Government will underwrite the UK's allocation for structural and investment fund projects under this EU Budget period to 2020 in the event of no-deal.⁶

26. However, despite the detail outlined in the written statement, there continues to be limited detail on what it will mean in practice for local areas and, crucially, what the quantum of the UKSPF will be.

27. The LGA will continue to press for our key lines, including seeking a commitment to at least matching the current quantum of EU structural funds and building on existing devolved funding arrangements. We are also making the case for the introduction of the

⁵ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2018-07-24/HLWS898>

⁶ The LGA's response to this announcement is available here: <https://www.local.gov.uk/about/news/lga-responds-government-announcement-funding-eu-programmes>

UKSPF to be a fresh opportunity to develop a place-based, multi-year fund that is based upon locally determined targets and outcomes, as opposed to a replication of the current system that is unnecessarily complex and bureaucratic.

28. The LGA have been proactive in pressing the Government on the design and delivery principles to underpin UKSPF. We have published our principles in the [Beyond Brexit](#) report and made the case for urgent action in our LGA Conference report, [Brexit: Moving the Conversation On](#). The LGA are working with the sector to develop these principles further as well as supporting councils and combined authorities that attend any related events.
29. The Government are holding a series of pre-consultation events and formal consultation is expected by the end of the year. The LGA secured a council officer led roundtable as part of the pre-consultation process on 24 August. This had a focus on strategic economic issues beyond current EU funding streams and how UKSPF can be integrated within economic development and growth programmes. **A verbal update on the roundtable discussion and any further developments with the UKSPF will be provided at the Board.**
30. The LGA is preparing for the consultation that is anticipated towards the end of the year and we continue to welcome contributions from members.
31. **Members are invited to comment on the next steps for the LGA's work relating to the UKSPF.**

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