

# City Regions Board

## Agenda

Tuesday, 2 April 2019  
1.00 pm

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

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City Regions Board  
2 April 2019

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There will be a meeting of the City Regions Board at **1.00 pm on Tuesday, 2 April 2019**  
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.

<b>Conservative:</b>	Group Office: 020 7664 3223	email: <a href="mailto:lgaconservatives@local.gov.uk">lgaconservatives@local.gov.uk</a>
<b>Labour:</b>	Group Office: 020 7664 3263	email: <a href="mailto:Lewis.addlington-lee@local.gov.uk">Lewis.addlington-lee@local.gov.uk</a>
<b>Liberal Democrat:</b>	Group Office: 020 7664 3235	email: <a href="mailto:libdem@local.gov.uk">libdem@local.gov.uk</a>
<b>Independent:</b>	Group Office: 020 7664 3224	email: <a href="mailto:independent.grouplga@local.gov.uk">independent.grouplga@local.gov.uk</a>

**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](mailto:Amber.Chandler@local.gov.uk) | 020 7664 3235 | 07780226852

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## City Regions Board – Membership 2018/2019

Councillor	Authority
<b>Conservative ( 5)</b>	
Cllr. Abi Brown (Vice-Chair)	Stoke-on-Trent City Council
Cllr. Robert Alden	Birmingham City Council
Cllr. Tim Warren	Bath & North East Somerset Council
Cllr Sean Anstee CBE	Trafford Metropolitan Borough Council
Cllr John Beesley	Bournemouth Borough Council
<b>Substitutes</b>	
Cllr Mark Weston	Bristol City Council
<b>Labour ( 14)</b>	
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 Julie Dore	Sheffield City Council
Cllr Linda Thomas	Bolton Council
Darren Rodwell	
<b>Substitutes</b>	
Cllr Sara Rowbotham	Rochdale Metropolitan Borough Council
Cllr Shama Tatler	Brent Council
Cllr Shaun Davies	Telford and Wrekin Council
Cllr Iain Malcolm	South Tyneside Metropolitan Borough Council
Cllr Dan Price	Warrington Council
<b>Liberal Democrat ( 2)</b>	
Cllr. Abigail Bell (Deputy Chair)	Hull City Council
Cllr. Paul Crossley	Bath & North East Somerset Council
<b>Substitutes</b>	
Cllr Ben Dowling	Portsmouth City Council
<b>Independent ( 1)</b>	
Cllr Jason Zadrozny (Deputy Chair)	Ashfield District Council
<b>Substitutes</b>	
Cllr Phelim MacCafferty	Brighton & Hove City Council

## **LGA City Regions Board**

### **Attendance 2018-19**

	<b>5/10/18</b>	<b>19/11/18</b>	<b>25/1/19</b>
<b>Councillors</b>			
<b>Labour Group</b>			
Sir Richard Leese CBE	Yes	Yes	Yes
Susan Hinchcliffe	Yes	Yes	No
Martin Gannon	Yes	Yes	Yes
Mayor Marvin Rees	Yes	Yes	Yes
Mayor Joe Anderson OBE	No	No	No
Jon Collins	No	No	Yes
Peter John OBE	No	Yes	Yes
Timothy Swift MBE	Yes	No	No
Debbie Wilcox	Yes	No	No
Sue Jeffrey	Yes	Yes	Yes
Roger Lawrence	Yes	Yes	Yes
Darren Rodwell	Yes	Yes	Yes
Julie Dore	No	No	No
Linda Thomas	No	No	No
<b>Conservative Group</b>			
Abi Brown	Yes	Yes	Yes
Robert Alden	Yes	Yes	Yes
Tim Warren	Yes	Yes	No
Sean Anstee CBE	No	No	Yes
John Beesley	Yes	Yes	Yes
<b>Lib Dem Group</b>			
Abigail Bell	Yes	Yes	No
Paul Crossley	No	No	Yes
<b>Independent</b>			
Clarence Barrett	Yes	Yes	Yes
<b>Substitutes/Observers</b>			
Shama Tatler	Yes	Yes	
Iain Malcolm	Yes	Yes	
Dan Price	Yes	Yes	
Ben Dowling	Yes		Yes
Phelim MacCafferty		Yes	

## Agenda

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### City Regions Board

Tuesday 2 April 2019

1.00 pm

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

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<b>1. Declarations of Interest</b>	
PART 1: NON-CONFIDENTIAL	
<b>2. Whitehall Policy Developments</b>	1 - 4
<b>3. Trade and Investment</b>	5 - 8
Marian Sudbury, Director of UK Regions at the Department for International Trade will attend the Board to present an overview of the Department's work across the UK Regions. A separate briefing for this discussion will be available shortly.	
PART 2: CONFIDENTIAL	
<b>4. Urban Leadership Research</b>	9 - 16
PART 3: NON-CONFIDENTIAL	
<b>5. Skills and Employment update</b>	17 - 32
David Hughes, Chief Executive of the Association of Colleges (AOC) will attend to discuss with the Board how LGA and AOC can work together more collaborative on the skills agenda both nationally and locally.	
<b>6. The UK2070 Commission</b>	33 - 36
Lord Bob Kerslake, Chair of the UK2070 Commission, will attend the Board to inform members of the Commission's work.	
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**8. Note of the Previous Meeting**

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## Whitehall policy developments

### Purpose of report

For discussion.

### Summary

At recent meetings, members have received reports informing them of delays in important national policy announcement on devolution.

As the UK/EU negotiations continue, this report sets out the current state-of-play, where we are anticipating future announcement and asks members views on preparations for these announcements.

It also asks whether we take the initiative quickly to renew the public debate on devolution.

### Recommendation

That the Board comment on the issues set out in **paragraph 15**.

### Actions

That officers make any necessary amendments to the Board's work programme.

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## **Whitehall policy developments**

### **Background**

1. At recent meetings, members have received reports informing them of delay in important national policy announcement on devolution. As the UK/EU negotiations continue, this report sets out the current state-of-play, where we are anticipating future announcement and asks members views on preparations for these announcements.
2. It also asks whether we take the initiative quickly to renew the public debate on devolution.

### **Current state of play**

3. At present, Brexit preparations continue to dominate the work programme of Whitehall departments. Many major policy announcements have been delayed (for example, the Social Care Green Paper), with some exceptions (Defra's long-term review of waste and recycling policy).
4. There have been concerns that, even without Brexit, Whitehall's devolution agenda has been less robust than in previous years.
5. Within this complex national context, the Board has been working in three areas:
  - 5.1. Firstly, we have assumed that, in the absence of a strong national drive, the onus was on cities and local government to renew the localist agenda. Amongst other work, we are developing work to highlight the benefits of devolution to citizens and the national economy through our Spending Review work.
  - 5.2. Secondly, we have identified those Government departments that are currently open to a discussion on localism and where we can bring changes to specific policy areas. For example, we have successfully encouraged DfE to engage with local authorities on post 16 skills, and expect this to be up and running soon. We are also building a new relationship with the Department for International Trade as a result of positive recommendations about councils by the Parliamentary Select Committee as a result of LGA evidence.
  - 5.3. Thirdly, we are working with Combined Authorities to offer support and convene officer networks. The success of those councils with a devo deal will highly influence future devo policy.

### **Awaited policy announcements**



6. Many policy announcements are being held back because of Brexit. Though not delayed, we are reaching a point where other promised policy announcements could be expected. Those most relevant to this Board include:

- 6.1. The MHCLG Devolution Framework

- 6.2. The UK replacement to EU funds: UK Shared Prosperity Fund (UKSPF).

- 6.3. Local Industrial Strategies.

7. In all these areas, the Board has agreed policy positions and we have been lobbying hard to influence the detail of Government policy.

### **Financial Implications**

8. None.

### **Implications for Wales**

9. This paper concerns issues of English policy. We continue to work proactively with the WLGA on the need for devolution beyond Westminster and Cardiff Bay.

### **Next steps**

10. We could be approaching a time, should there is a conclusion to the Brexit discussions soon, that a number of national announcements could be made quickly and members may want to examine whether the anticipated Government announcements are likely to be still fit for purpose and collectively offer a coherence programme for future devolution.
11. Some issues for consideration:
  12. The new UKSPF will need to be set up quickly (by the end of 2020). At such speed, the LGA's proposal for a major reform of local growth, regeneration and skills spending to align old EU funding silos and the existing 70 different national funding streams managed by 22 government departments and agencies, into one joined up local fund may not be possible. A speedy Whitehall response to ensure UKSPF resources are available in Jan 2021 could favour a more centralist approach through existing silos. We may need to advocate a short transition period from 2021 or pilots to protect the quantum of resources and to achieve more transformative change.
  13. On a much wider issue, the LGA has been a strong advocate that Brexit cannot result in a centralisation of power in Whitehall, but needs to empower communities through devolution. An early release of the anticipated national devolution framework may not mirror our ambition. The onus is likely to be on local government to advocate a more comprehensive agenda.

14. At the time of writing there is no certainty at the moment of the timeline post-Brexit.

15. In anticipation of such work, members may have views on:

15.1. The completeness of the current work programme – both the departmental work and the work on future announcements.

15.2. The likelihood of anticipated policy announcements being fit-for-purpose in local areas, once Brexit negotiations are complete.

15.3. Reviving the public debate quickly on empowering local communities through local government. We are presently focusing on the Spending Review, but the July LGA Conference may also be a time to refresh a wider public debate on the benefits of local decision making.



## **Trade and Investment**

### **Purpose**

For discussion and direction.

### **Summary**

This paper provides an update on the LGA's recent policy and public affairs activity in the area of trade and international investment.

Marian Sudbury, Director of UK Regions at the Department for International Trade will attend the Board to present an overview of the Department's work across the UK Regions. A separate briefing for this discussion will be available shortly.

### **Recommendation**

Members of the City Regions Board are invited to:

1. Note recent policy and public affairs activity relating to trade and international investment; and
2. Discuss next steps for the LGA's work on trade and investment in light of the presentation at the Board from Marian Sudbury from the Department for International Trade.

### **Action**

Officers to take forward next steps proposed by the Board following the discussion with Marian Sudbury.

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## Background

1. Councils are uniquely positioned, with their knowledge of local economies, powers over local infrastructure planning and a strong track record of building connections with localities across the world, to attract inward investment and work with local businesses to increase exports to foreign markets.
2. In recognition of this role, and within the context of the UK's scheduled withdrawal from the EU, the Industrial Strategy and the pursuit of greater devolution, members of this Board and the People and Places Board agreed to a set of aims to frame our policy work on trade and investment over the coming year. In brief, these aims were to:
  - 2.1. Ensure that Government recognises and harnesses the contribution that local government can make to trade and international investment and the development of national trade policy, in line with the recommendations of the International Trade Committee.<sup>1</sup>
  - 2.2. Strengthen delivery partnerships between national and local government and provide clarity on the roles and responsibilities of different institutions involved in delivering trade and investment activity.
  - 2.3. Establish a presumption in favour of devolution relating to trade and investment and ensuring that national activity is coordinated across relevant Whitehall departments.
  - 2.4. Ensure that successor arrangements for existing funding streams, and specifically the UK Shared Prosperity Fund, place locally-led trade and investment activity on a sustainable and secure footing.
3. Following consideration of these objectives, the Board agreed a series of initial next steps to pursue them. This paper provides an update on the LGA's progress with delivering these next steps.

## Engagement with the Department for International Trade (DIT)

4. Following the positive recommendations of the International Trade Committee on the role for local government in future trade policy, the Chairman of the LGA's Brexit Task Force wrote to the MHCLG Secretary of State seeking further clarity on the role for councils in this space.
5. This letter was forwarded to the DIT Secretary of State and his office responded to indicate that Graham Stuart MP, Minister for Investment, was keen to accept the invitation to meet. This meeting is scheduled to take place in March and Cllr Kevin

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<sup>1</sup> The Committee recommended that Local government should have a voice in all aspects of the trade policy process, and the Government, in its response to this report, should set out how it plans to facilitate this. A representative from each of the devolved administrations and the LGA should be included on the Strategic Trade Advisory Group, to allow Government to consult with them in detail throughout the trade negotiation process.



City Regions Board

02 April 2019

Bentley, Chairman of the LGA's Brexit Taskforce will attend. Officers will provide an update on the discussion at the Board.

6. In line with a request at the previous Board, Marian Sudbury, Director of UK Regions at DIT will attend the Board to present an overview of the Department's work across the UK Regions. The Board will have received a separate briefing for this discussion.

#### **Trade and investment – improvement activity**

7. The LGA has commissioned a provider to develop a guide that supports councils to attract foreign capital investment into their local areas. The suppliers have conducted a range of interviews with councils and investors and are now at the final stages of drafting the guide, a copy of which will be shared with the Board at the next board meeting.
8. In addition to this project, the LGA is also seeking involvement from the DIT in our Local Industrial Strategy improvement offer and the Department are due to present at our fully-booked masterclass on 'developing a place narrative' taking place in Birmingham in April.

#### **Next Steps**

9. In light of the Board's conversations with Marian Sudbury, the Board are invited to:
  - 9.1. note the update on progress with the LGA's engagement and activity relating to trade and inward investment; and
  - 9.2. discuss the next steps for the LGA's work on trade and investment following the discussions with the Department for International Trade.





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## Employment and skills update

### Purpose of report

For discussion and direction.

### Summary

The LGA's employment and skills work is led jointly by this Board and the People and Places Board. This paper updates Members on recent activity including the skills taskforce.

It also provides background to support a Board discussion with **David Hughes, Chief Executive of the Association of Colleges (AOC)** on how LGA and AOC can work together more collaborative on the skills agenda both nationally and locally.

### Recommendations

That Board Members note the report. Members steer is sought at paragraphs 3, 8, 10, 21, 23 and 24. Paragraphs 12-18 provide context and potential ideas for closer LGA and AoC working.

### Actions

Officers to progress as directed.

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## Employment and skills update

### Background

1. At the last Board discussion on skills and employment in January, Members debated the future of jobs with the Work Foundation's chief executive, Lesley Giles and received an update on policy work. This paper updates members on activity since then, and provides context for a Board discussion with David Hughes Association of Colleges' chief executive.

### Stakeholder engagement

#### *LGA Skills Taskforce*

2. Co-chaired by Cllrs Sir Richard Leese and Mark Hawthorne, the LGA Skills Taskforce was set up in recognition that our Work Local objectives are just as relevant now as they were when launched in July 2017, and that we should do more to get this on the radar of decision makers and opinion formers. Efforts should therefore be focused on establishing links with stakeholders, industry and sector representatives to understand if we can combine efforts nationally and locally on issues identified in Work Local. To kick off this work, the Taskforce has convened three themed roundtables
  - 2.1. Local coordination of a fragmented employment and skills system, December 2018
  - 2.2. Careers and Retraining for a changing local economy, February 2019
  - 2.3. The future of work: how changing skills needs of sector-specific industries will play out in the local economy, March 2019
3. February's *Careers and Retraining for a changing local economy* roundtable brought together over twenty stakeholder and industry representatives. Attendees discussed four interrelated themes of careers advice and guidance, post-16 pathways, apprenticeships and adult learning. There was lots of positive discussion on the merits of a placed based approach. **Members are encouraged to review the roundtable summary (Annex A).**
4. The third and final roundtable, *The future of work*, took place at the end of March. The Board will receive a verbal update on the main conclusions.
5. A Taskforce [webpage](#) includes background papers, summaries and a series of video interviews from stakeholders.
6. The roundtable findings will be drawn together for the LGA annual conference in July 2019. This could take the form of a short report to include:
  - 6.1. narrative on the current and future skills challenges;
  - 6.2. highlights from each roundtable including any recommendations;
  - 6.3. renewing and updating our Work Local calls; and
  - 6.4. endorsements from stakeholders.

7. As a result of the second roundtable, officers have initiated discussions with DfE on the National Retraining Scheme (NRS) which it is developing with the CBI and TUC. Designed to support adults upskill or retrain for a rapidly changing jobs market, elements of it are being piloted in five areas (Leeds, Devon and Somerset, Lincolnshire, Staffordshire and Stoke-on-Trent, and the West Midlands). As the NRS is at an early design stage, we have suggested the LGA reconvene a roundtable in May to feed in early thoughts on the Scheme's design.
8. **Members are encouraged to visit the Taskforce [webpage](#), provide a steer on annual conference plans, and beyond that, suggest ideas for using the momentum of the Taskforce to further develop our campaign.**

*Future of the skills system inquiry*

9. The Skills Commission has launched an [inquiry](#) on how to create a blueprint for further education and skills in England that can reflect local need and future economic and social priorities. It is co-chaired by Sir John Hayes CBE MP and Barry Sheerman MP, and is being supported by Policy Connect and the Learning and Work Institute. The LGA is represented on the Commission. At the initial steering group meeting, it was recognised that there are many other commissions and reports looking into the design of the skills system, so this inquiry needs to tap into that and be visionary. This is likely to be an influential inquiry. **The call for evidence, open until 25 May, is asking the following:**
  - 9.1. *What kind of skills system do we want?* What are the key features of a successful skills ecosystem and what role should different organisations play? What principles should be taken into consideration? How should different organisations interact? What should be an overall vision for learning and skills success and why?
  - 9.2. *To what extent is the current system effective?* Does England have a functioning provider base? How appropriate is the current model of commissioning and procurement? To what extent do institutional and local system priorities align to national government priorities such as those described in the Industrial Strategy? Is the current system adjusting and adapting to future needs?
  - 9.3. *What needs to change to achieve an effective skills system?* What steps can we take to achieve a better system and a vision you agree with?
10. **The LGA will submit views and is keen for as many councils and combined authorities to submit theirs too. Board Members are encouraged to ensure their local officers are aware of the inquiry so the sector's views are heard.**

*West Yorkshire Combined Authority Skills Commission*

11. One such recently launched inquiry is the Future Ready Skills Commission, supported by The West Yorkshire Combined Authority, and chaired by Cllr Susan Hinchliffe. Its [Call for Evidence](#) (deadline of 12 April) has a cross cutting **local dimension** and seeks views on:
  - 11.1. How to ensure technical education and training gives people the skills they need for high quality employment and employers the skills they need?

11.2. How to make the labour market work better through improved information, advice and guidance, ensure that young people are career ready and adults understand the options available to them for career development?

11.3. How to enable adults to invest in skills in response to the changing labour market and ensure employers investing in the skills they need for business success?

*Session with David Hughes, Chief Executive of the Association of Colleges*

12. Through the Skills Taskforce, the LGA has engaged a wide range of stakeholders. It was suggested that this Board may wish to have more focused discussions to strengthen links with stakeholders if appropriate and relevant.

13. The role of Further education (FE) colleges within local communities, and their interaction with councils and combined authorities, schools and employers has come out strongly in Taskforce discussions. Lead Members agreed it would be helpful to have a discussion with the Association of Colleges' Chief Executive David Hughes.

14. Further education (FE) colleges are the main providers of education and training for 16 to 18-year-olds and support around 1.3 million adults across England. They are key to delivering traineeships, apprenticeships (Levy and non-Levy funds), adult education budget (AEB), technical levels, the national retraining scheme, and the upcoming UK Shared Prosperity Fund. Devolution of AEB gives six MCAs and London a commissioning role over colleges operating in their local areas.

15. Good working relationships between councils and (mayoral) combined authorities and local colleges are critical to ensure local skills supply meets demand. Current mechanisms such as local employment and skills boards and plans have brought partners together locally to help make those conversations happen. The likelihood is that these relationships will need to become even stronger as partners across an area as skills advisory panels and local industrial strategies are developed.

16. There are a number of ways the LGA and AoC could collaborate more effectively, for instance finding common ground on policy issues and developing good practice.

17. Policy issues discussed at the roundtables which could benefit from joint work include

17.1. *A locally coordinated post 16 offer.* The LGA has welcomed reforms to increase vocational and technical routes. However to be a success, we believe young people and their parents / guardians need ready access to an impartial and well-communicated local picture of all post 16 pathways available – A levels, T levels, Apprenticeships – and how they relate to the world of work or further learning, with signposting for further information. **No one is responsible for coordinating a post 16 offer locally, and we believe there should be, and that councils and combined authorities could play a central role. This requires all local partners working together. This was significant support to this at the February roundtable. Could the AoC support this?**



17.2. *Lack of access to schools:* Colleges need access to schools to talk to pupils about vocational pathways. The Baker Clause within the Technical and Further Education Act 2018 was established to ensure education and training providers have access to students in secondary schools. A recent IPPR report shows that since its introduction, compliance remains poor with only two in five schools complying with legislation. **As suggested above, the LGA wants more effective local partnership working so that young people can make more informed post 16 choices, so it is suggested the LGA incorporates support for the Baker Clause within our Work Local refresh.**

17.3. *Investment in adult education:* Adult education funding has halved since 2010. It has had a knock on effect on learner numbers. As working lives extend and our economy changes, adults – those in work and looking for a career change, those vulnerable to redundancy, and those out of work due to ill-health or caring responsibilities – need to be retrained, upskilled and supported into job opportunities locally. **This is important both for the LGA and AoC, and it is suggested joint work could be done to seek adequate investment in the National Retraining Scheme and UK Shared Prosperity Fund.**

18. **Developing case studies:** Good examples of partnership working exist already across cites including the Bristol Learning Partnership and West Yorkshire Combined Authority's voluntary delivery agreements with its colleges. In addition, MCAs are working closely with colleges to ensure the devolution of Adult Education Budget works effectively. **The Board may wish to develop case studies of effective partnership working.**

## **Policy update – specific issues**

### *Apprenticeships*

19. Last month the National Audit Office (NAO) used Apprenticeships Week to launch a report into the impact of the reforms. It revealed a 26 percent fall in apprenticeship starts between 2015/16 and 2017/18. It also showed that many employers are still struggling to spend their Apprenticeship Levy funds because of the way the policy was designed and implemented. This resulted in an initial underspend. However a growth in higher-level apprenticeships is now moving the overall Levy budget towards an overspend, raising concerns about the system's sustainability.

20. In response to the NAO report, an LGA [media release](#) recognised many of the challenges identified in the report and calls on the Government to make urgent changes to way the Levy operates in its upcoming Review, including the following.

20.1. extend the two year limit to spend the Levy against standards which have only just been approved or are still in development;

20.2. allow pooling of Levy contributions to enable more strategic local planning;

20.3. permit a more flexible use of the Levy to meet the full costs of apprenticeship programmes and administration including on pre-apprenticeship training; and

20.4. give local areas a say on how to allocate unspent Levy money and non-Levy funds.

21. Following the publication of the NAO report, the Public Accounts Committee (PAC) launched an inquiry on apprenticeships. It held an oral evidence session on 25 March including witnesses from the DfE and the Education and Skills Funding Agency (ESFA). To feed into this, Chairs of this Board, People and Places and Resources submitted written evidence to the Committee setting out the LGA's view on the challenges of the current system and ways in which the system could be improved to make apprenticeships work for the local economy. **See Annex B for the LGA letter. Members are invited to raise any other issues about how the Levy is working locally to inform our work.**

*Sheffield University research - health and employment local Integration*

22. Board Members are well aware that integration of employment, skills and health services is essential to be able to address worklessness locally. The LGA, councils and combined authorities continue to urge Whitehall departments to join up policy at national level so that integration can be more effectively achieved locally, and mayoral combined authorities (MCAs) are now leading work in co-commissioning DWP initiatives such as the Work and Health Programme, and testing new ways of integration through the Innovation Fund.
23. A research project led by Sheffield University published in December draws on work with employment and skills leads across MCAs and the Core Cities around their experiences, needs and challenges in developing locally integrated approaches to employment interventions in their areas. It found that while all the areas involved in the research pursued their own integrated employment approach, six key dimensions to effective integration were identified: political; strategic; governance; cultural; financial; and operational. The research makes a number of recommendations for local partners and to national government on how integration can be improved. These include that the Whitehall should commit to test-and-learn pilots of whole place budgets on priority outcomes for integration. **Members may wish to explore how the recommendations (see page 5 of [research](#)) could be used to reinstate a discussion with Government departments.**
24. **Members are encouraged to comment on, or provide a further steer on any other issues not contained with this paper, so that we continue to push forward with this agenda.**

**Financial implications**

25. To be covered through the existing Budget.

**Implications for Wales**

26. Skills and employment are devolved matters, however the LGA liaises with WLGA colleagues.

**ANNEX A – Summary of the second LGA Skills Taskforce roundtable, February 2019**

**LGA Skills Taskforce roundtable summary: Careers and retraining for a changing local economy, Thursday 7 February 2019**

Leading councillors and stakeholders from the skills, education and employment sectors attended an LGA Skills Taskforce roundtable in February to discuss issues around careers and retraining. Below is a summary. It was chaired by Councillor Mark Hawthorne, Leader of Gloucestershire County Council, and Chair of the LGA's People and Places Board. Dr Fiona Aldridge, Director of Policy and Research at the Learning and Work Institute, was invited to introduce the four discussion themes:

- careers advice and guidance;
- an integrated post-16 offer;
- apprenticeships; and
- adult learning.

**1) Careers advice and guidance**

*Introduction:* A clear and coherent careers advice and guidance system is essential to help young people and adults navigate the world of learning and work. However, the system is confusing with a range of providers and initiatives being delivered in any one local area. For young people, it is complex and fragmented. It is also critical for adults who want (or need) to progress or retrain, though awareness of the National Careers Service among adults is low and access limited. **Attendees were asked: is a locally relevant and coordinated all-age careers service needed and, if so, how do we get there?**

*Key points included:*

Dr Deirdre Hughes OBE, former Chair of the National Careers Council:

- An all-age careers advice system would be welcomed, but good advice and guidance will not be possible if cuts to funding continue.
- The 'marketisation' of careers advice is a costly experiment. More and more young people are not receiving the level of support they need.
- Adults with low skills and on low incomes are the least likely to access training, despite needing it most. A recent Social Mobility Commission [report](#) reiterated this.
- We need to begin to shape local places and spaces and provide the support that people need to make informed decisions.

Nicki Jenkins, Nottingham City Council:

- Locally there are high levels of deprivation including second or third generation unemployed. That makes careers advice essential, but councils do not have the levers to bring all those delivering it together locally. For example, the majority of secondary schools are academies. The changes to Ofsted inspections will help in terms of a stronger focus on progression, but there is a long way to go.



Jo Maher, Boston College and Association of Colleges:

- Young people in rural areas face real challenges travelling to learn or access advice.
- Early engagement in schools is essential and way before young people begin their GCSEs, however evidence suggests the 'Baker clause' is not being effectively used.
- Colleges get little information about students arriving from schools, so in effect they have to start from scratch.

Darryl Evers, Staffordshire County Council:

- Young people are leaving education without core skills and then need to re-sit Level 2 qualifications at College. This is a big issue for the local labour markets.
- Staffordshire and Stoke-on-Trent Local Economic Partnership (LEP) is one of five Career Learning pilots testing how to reach out and engage low-skilled adults in work and whether reduced costs of courses linked to local priorities makes learning more viable. The importance of the council as 'trusted messenger' to engage residents was key.

Elaine Bowker, Liverpool City Region LEP Board:

- Too many young people are not progressing beyond Level 3, limiting their potential in the labour market. Few young people have received independent advice and guidance. Schools with a sixth form should be encouraged to promote alternative learning routes.

Heather Carey, The Work Foundation:

- Many issues businesses face lie with the quality of careers advice and guidance. The Foundation is working with the business sector to look at how to prepare young people for future jobs and ensure 'good' work for all.

Katie Schmucker, Joseph Rowntree Foundation:

- One of the strongest arguments for local careers advice is joining up advice with real opportunities in local labour markets. There must be a strong connection between careers advice and local industrial strategies.
- It is critical we understand the best ways of reaching out to engage people in low-paid jobs: this is a big challenge.
- Trade unions have a key role to play, but we need to consider how this is done in non-unionised workplaces.

Kamile Stankute, Institute of Directors:

- Work experience is important; perhaps a more formalised approach is needed.

John Cope, Head of Education and Skills, Confederation for British Industry (CBI):

- It is important to advise and guide people to real options. There is a structure for those wanting to study a degree, but for alternative (technical routes), it is confusing.
- Partnership is needed between business, education and Government. The North East '[Be inspired](#)' pilot has seen schools and colleges testing the 'Good Career Guidance' benchmarks, coordinated by the LEP, and is cited as exemplar.

Greg Wade, Universities UK:

- Universities have the potential to make links at a local level and conduct research on local labour markets as part of their contribution to local industrial strategies.



- More must be done to support small and medium-sized enterprises (SMEs).

Bob Pickles, Surrey Employment and Skills Board:

- We cannot afford to ignore the role and influence of parents.

Iain Murray, Trades Union Congress (TUC):

- There is a low level of awareness of the National Careers Service, so even if more funding is invested into it, there is still the challenge of adult engagement.

Jasbir Jhas, Local Government Association (LGA):

- Department for Education (DfE) is hopeful that skills advisory panels could serve as a way of communities having a better understanding of the local labour market.

**Summary:** Councillor Hawthorne said that there was consensus that the current system needs improvement, more coherence and should be 'locally rooted' to maximise connections. The need for 'independence' is critical, but that the current system cannot work in the way we want simply by legislating; it has to be resourced and incentivised.

## **2) An integrated post-16 offer**

*Introduction:* There has been a great deal of post-16 reform in recent years, and Government reforms to raise the quality of vocational and technical education are welcome. It is critical that young people develop the skills needed to secure sustained, skilled employment, and which meet the needs of our changing economy. However, there is a risk that different pathways are being developed and delivered in 'silo'. Whether you are a young person, a parent or an employer, a coherent and well-communicated offer is critical, but no-one is currently responsible for developing or coordinating this locally. **Attendees were asked: how do we plan an impartial and coherent post-16 offer within local areas, and communicate it, to give the best opportunities to young people?**

*Key points included:*

Paul Warner, Association of Employment and Learning Providers:

- There is an infrastructure of providers who can do different things i.e. apprenticeship providers could offer and deliver large-scale T-levels placements. Yet this potential is not being maximised, in part because reforms are developed and funded in silo.

Councillor Lucy Nethsingha, Local Government Association (LGA):

- Colleges are concerned about their ability to provide placements for T-levels.

Jo Maher, Association of Colleges:

- It is vital that T-Levels reforms consider learning from the pilot areas, and consider how these will work in rural areas where it may be difficult to secure sufficient placements.

John Cope, CBI:

- There are a wide range of organisations in this space. The CBI recommends that the Institute for Apprenticeships should be the primary body, linking them all.



- We need to consider progression, fluidity and interaction between post 16 options, allowing people to change their mind and move between different routes.
- Businesses have for a long time called for a better technical offer, as there is generally a gap between levels 3 and 6.

Greg Wade, Universities UK:

- Bridging provision is vital, and we must be clear that when encouraging young people on to a T-level, what opportunities it is opening up or closing down.

Deirdre Hughes, National Careers Council:

- England has a different system from the rest of the UK. The Scottish Government's 15 to 24 learner journey review (2018) explored how the learner journey can be clear, transparent and articulated at the local and national level.

Bob Pickles, Surrey Employment and Skills Board:

- The landscape has evolved rapidly over recent years, mostly in a positive direction, but the challenge is joining it up. There is a real risk that employers will be swamped by approaches for placements, so they need to be involved in discussions.

Darryl Eysers, Staffordshire County Council:

- There needs to be coherence at national and local level. Solutions need to be local and focused and we need to communicate messages very clearly.

Elaine Bowker, Liverpool City Region LEP:

- Funding and resources is a big issue. Even for a devolved area, it can be difficult to influence things that are done nationally.

Paula Neal, Surrey Employment and Skills Board:

- Smaller employers are unlikely to have the capacity to access information about new policy developments, so how do we communicate better, and is there a need for an intermediary?

Councillor Muhammed Butt, Leader, London Borough of Brent:

- We must do more to support parents to progress in work so that the aspirations of children and young people can also be lifted.
- Nationally there is a danger of creating too much change without considering what the outcomes are that we want to achieve.

**Summary:** Councillor Mark Hawthorne said while there are positive developments in the post-16 landscape, it is clear that this is not being done in a coordinated or coherent way, and no one has oversight of how it all fits together. There is a strong appetite for collaborative working, but the national and silo approach to funding specific parts of the system is affecting how organisations work together. There is merit in an integrated post-16 offer being developed and communicated locally.

### **3) Apprenticeships**

*Introduction:* Apprenticeship reforms have changed the way employers manage their skills and training functions. Data published in February showed that the numbers of starts had



fallen (119,100 fewer starts in 2017/18 than in 2016/17), though the decline is halting. There has also been a growth in higher-level apprenticeships. Nearly two years after the reforms, many employers believe there is room for improvement, most notably with the Apprenticeship Levy. To its credit, the Government introduced some flexibilities late last year. However, many stakeholders would like to see more. The LGA, for instance, is seeking greater flexibilities, including pooled levy contributions and an extension to the two-year limit to spend on the levy against standards which have only just been approved or are still in development. The Government promised an in-depth review. **Attendees were asked what changes they would like made to the Levy and broadly to all apprenticeship provision, and what can be done locally to maximise its impact?**

*Key points included:*

Anthony Impey, Federation of Small Businesses (FSB):

- The system has changed significantly and is now more fit for purpose. However apprenticeship funding is running out: £400 million unspent levy in 2017/18, but we are moving towards a deficit. How do we create a system that can fund itself in the future?
- Small businesses find it difficult to navigate the current system. Funding change has made it difficult for training providers to serve the SME community. Pooling Levy contributions is one way local authorities can have a big impact on their communities.

John Cope, CBI:

- In the first in a series of reports, '[Getting apprenticeships right](#)' the CBI recommends that the Institute for Apprenticeships is given the independence and clout to reform and regulate the English skills system. It also wants an appeals process introduced for employers who have been unable to take part through no fault of their own. Over the next few months, it will further explore what can be done to provide more coherence to the apprenticeship landscape, and looking at the size and scope of the levy.

Jo Maher, Association of Colleges:

- The shift away from Level 2 apprenticeships is a concern.
- Pooling the levy will have clear benefits and will help micro-businesses to take part.

Paula Neal, Surrey Employment and Skills Board:

- Local research of levy paying employers found that apprenticeships are valuable, but businesses and training providers are frustrated with the complicated system. To improve things we could explore locally how to help levy payers get their transfer out.

Greg Wade, Universities UK:

- The Government could possibly save 10-25 per cent of the levy by simplifying the system, but there is no agenda for simplification.

Sophie Wingfield, Recruitment and Employment Confederation (REC):

- Many REC Levy paying members are SMEs with large temporary workforces. The Levy could be used on short courses to allow temporary workers to progress.

Paul Warner, Association of Employment and Learning Providers:



- AELP is supportive of the Levy but its focus must be narrowed to start people off on a career, especially as Level 2 apprenticeships are failing. We need to simplify the system as many strands of apprenticeship policy are working in different directions.

Katie Schmuecker, Joseph Rowntree Foundation:

- The Levy objectives are confused. We need more focus on Level 2/3, so this could be an area of focus.
- While in some areas a focus on young people is needed, in other areas the focus may need to be on older people in low-skilled jobs.

**Summary:** Councillor Hawthorne said it was clear the current apprenticeships landscape is complicated, and there is an opportunity for those around the table to influence this, particularly with the deadline for the expiry of levy contributions fast approaching.

#### 4) Adult learning

*Introduction:* As working lives extend and our economy changes, adults – those in work and looking for a career change, those vulnerable to redundancy, and those out of work due to ill-health or caring responsibilities – need to be retrained, upskilled and supported into job opportunities. With nine million adults lacking basic literacy and numeracy skills, and adult learners in further education learning halving since 2005/06, we need to understand how to engage adults into further training. **Attendees were asked: how do we ensure different parts of the system align to meet the skills needs of adults throughout their working lives, and how do we engage adults in these opportunities?**

*Key points included:*

Iain Murray, TUC:

- Funding for the National Retraining Scheme will be crucial in defining what it can do, for whom. Key is understanding how to put in place a system that will genuinely inspire and incentivise adults to retrain, and the Government will need to look at entitlements, for example mid-life career reviews.

Katie Schmuecker, Joseph Rowntree Foundation:

- The NRS has the potential to be a really important policy, but its focus need to be clear.
- UK Shared Prosperity Fund must support adults retrain or upskill, as EU funding does.

Darryl Evers, Staffordshire County Council:

- The number of adults with no qualifications has halved locally over four years. This demonstrates that by working with local businesses, we can make a difference using combined local knowledge, as individuals see what their 'next step' really looked like.

Jo Maher, Association of Colleges:

- Just 10 years ago, colleges still had thriving evening classes. As 'jobs for life' no longer exists, the need to reskill will become even greater, but the lack of funding for adult education is not supporting that.

Nicki Jenkins, Nottingham City Council:





- The role of councils is key in identifying and engaging people on low incomes, as they tend to be in contact with their council on other matters.

Heather Carey, The Work Foundation:

- The NRS cannot be the only answer to adult learning. LEPs and councils have an important role in helping to connect businesses on this agenda.

**Summary:** Councillor Hawthorne said supporting people to increase their skills and progress in the labour market is critical to inclusive growth, and should be integral to the development of local industrial strategies. Councils and combined authorities, working with local and national partners, can play a key community leadership role to both stimulate and meet demand for skills development, through targeted engagement and a relevant flexible offer. There is the potential to make a real difference on this agenda.

**This was the second of three LGA Skills Taskforce roundtable events. The first looked at 'local coordination of a fragmented employment and skills system' (December 2018). The third will look at 'the future of work' (March 2019). For further information please contact Jasbir Jhas, LGA Senior Adviser ([jasbir.jhas@local.gov.uk](mailto:jasbir.jhas@local.gov.uk)).**

List of organisations represented at the Skills Taskforce roundtable, 7<sup>th</sup> February 2019:

#### *Stakeholders*

Representative	Organisation
Jo Maher, Principal and Chief Executive, Boston College	Association of Colleges
Paul Warner, Director of Research and Development	Association of Employment and Learning Providers
Bob Pickles, Canon UK	Surrey Employment and Skills Board
Paula Neal, Surrey County Council	Surrey Employment and Skills Board
John Cope, Head of Education and Skills	Confederation for British Industry
Anthony Impey MBE, Founder, Optimity	Federation of Small Businesses
Katie Schmuecker, Head of Policy (dialling in)	Joseph Rowntree Foundation
Expert: Dr Fiona Aldridge, Director of Policy and Research	Learning and Work Institute
Elaine Bowker, Liverpool City Region LEP	Local Enterprise Partnership
Nicki Jenkins, Director of Economic Development	Nottingham City Council
Dr Deirdre Hughes	Director, DMH & Associates Ltd and Former Chair of the National Careers Council
Sophie Wingfield	Recruitment and Employment Confederation
Darryl Evers, Director for Economy, Infrastructure & Skills	Staffordshire County Council and Staffs and Stoke LEP
Iain Murray, Senior Policy Officer	Trade Union Congress
Greg Wade, Senior Policy Officer	Universities UK

#### *LGA Skills Taskforce*



Elected member	Local authority
Cllr Mark Hawthorne (co-chair)	Gloucestershire
Cllr Lucy Nethsingha	Cambridge
Cllr Muhammed Butt	Brent
Cllr Colin Spence	Suffolk

### **ANNEX B – Letter to the Public Accounts Committee on apprenticeships, March 2019**

Meg Hillier MP  
Chair  
Committee of Public Accounts  
House of Commons  
SW1A 0AA

19 March 2019

Dear Meg,

We are writing with regard to your Committee's inquiry into the apprenticeship programme, following the publication of the National Audit Office (NAO) report earlier this year. We welcome this inquiry as skills development is critical for local government, not just for our own workforces, but also for local businesses and our residents. Increasing productivity and closing local skills gaps are vital ambitions for any council seeking to boost the economy of its local area and support the wellbeing of its residents. It is for these reasons that the LGA supports the Government's ambitious commitment to create three million new apprenticeships by 2020.

April 2019 marks the two year anniversary of apprenticeship reforms which have radically changed the way employers, including local authorities, manage their skills and training functions. We are concerned by the NAO's finding that employers are struggling to spend their Apprenticeship Levy funds and their assertion that this is a result of the way the policy has been designed, implemented and communicated. Levy allocations will expire after 24 months on a month by month basis from this April and any money not spent, will be absorbed and redirected by central government to fund other apprenticeship funding pots.

The LGA has concerns with this approach. Firstly, many councils have unspent Levy allocations through no fault of their own. The funding has not yet been allocated because the relevant apprenticeship standards councils wanted to spend this money on were not fully operational. These include standards covering occupational therapy, social work and planning, which have only been approved in the last few months, and standards covering adult care, early years, and building control which are still in development.

While we recognise the Institute for Apprenticeships is making greater progress on ensuring standards are approved, a recent LGA survey of the sector identified up to 40 standards that councils want to use that are still in development and are not yet ready for delivery. There is currently no recourse to have the expiry date for Levy funds extended in these circumstances, and we feel there should be.

Secondly, there is no guarantee from central government that unspent Levy funds that it collects will be reinvested in meeting skills needs locally. It is vital that any unspent Levy is directed where there is need. We only need to look at what some areas are doing to use their Levy innovatively, particularly with transfer flexibilities, to benefit SMEs locally.

Thirdly, as local authorities are considered to be the employer for maintained schools for the purposes of the Levy and public sector target, we have the additional challenge of working with these schools to increase their apprentice numbers in addition to our own. Maintained schools are responsible for their own recruitment processes and staff training, and many of them are small primaries without the resources or capacity to take on apprentices. The new apprenticeships system is still unfamiliar for many schools and they often need guidance and support from their local authority to navigate it effectively, which councils are struggling to find the resources to administer.

We have been clear about what is needed from central government to allow councils and combined authorities to make apprenticeships work for the local economy. We continue to call on the Government to:

- extend the two year limit to spend the Levy against standards which have only just been approved or are still in development;
- allow pooling of Levy contributions to enable more strategic local planning;
- permit a more flexible use of the Levy to meet the full costs of apprenticeship programmes and administration including on pre-apprenticeship training; and
- give local areas a say on how to allocate unspent Levy money and non-Levy funds.

These changes are vital if we are to maximise not only council-led apprenticeship programmes, but also work with other employers in our communities. This will help more people develop the skills they and businesses need in order to ensure a successful economy.

If you would like any further information, please contact the LGA  
([catharina.paul@local.gov.uk](mailto:catharina.paul@local.gov.uk) / 0207 664 3329).

Yours sincerely,

**Cllr Mark Hawthorne**  
**Chair, LGA People and Places Board**

**Cllr Richard Leese**  
**Chair, LGA City Regions Board**

**Cllr Richard Watts**  
**Chair, LGA Resources Board**

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<sup>i</sup> The LGA's most recent estimate suggests local authorities had spent approximately 13% of their total Levy contributions by February 2019 (Source: LGA Apprenticeships Survey 2019).

## **The UK2070 Commission**

### **Purpose of report**

For information.

### **Summary**

This report gives some background information on the UK2070 Commission to inform the Board's discussion with its Chair, Lord Bob Kerslake.

### **Recommendation**

That the Board share their views to inform the Commission's work.

### **Actions**

Officers to support members as needed.

<b>Contact officer:</b>	Rebecca Cox
<b>Position:</b>	Principal Policy Adviser
<b>Phone no:</b>	0207 187 7384
<b>Email:</b>	rebecca.cox@local.gov.uk



## The UK2070 Commission

### Background

1. The [UK2070 Commission](#) is an independent inquiry into city and regional inequalities in the UK. Chaired by Lord Kerslake, it has been set up to conduct a review of the policy and spatial issues related to the UK's long-term city and regional development.
2. The Commission will run in four phases, from July 2018 to January 2020, with a formal launch event having taken place at the House of Lords in October 2018. Further meetings and consultations will take place across the UK.
3. The Commission's membership includes academics from five universities and the USA's Lincoln Institute for Land Policy (Cambridge, MA), as well representatives from the Confederation of British Industry, Core Cities, Institute for Public Policy Research North, National Institute of Economic and Social Research, the North West Business Leadership Team, West Midlands Combined Authority, and the consultancies AECOM and Barton Willmore.
4. They are supported by a research partnership involving the University of Sheffield, the University of Manchester, University College London, the University of Liverpool and the University of Cambridge, along with additional support from the Sir Hugh and Lady Sykes Charitable Trust, the Heseltine Institute at the University of Liverpool, the University of Cambridge and the RSA.

### Issues

5. The Commission sets out its aims as follows:
  - 5.1. Reinforce the devolution agenda for cities, regions and nations to maximise their potential for sustainable and inclusive growth;
  - 5.2. Add value to the emerging range of national strategies for planning, housing, industry, land use, environment and infrastructure – through greater integration and clarity in their place-based implications;
  - 5.3. Develop more inclusive and empowering approaches to national and strategic decision-making; and investment for regions, cities, towns and communities; and
  - 5.4. Draw on UK and international experience in tackling issues of spatial inequalities.
6. The LGA's views on these matters are well established, though members might like to consider the discussion of Item 1 about the Board's future work programme and whether there are any reflections they might like to offer on the framing of the devolution debate.
7. The Commission will publish its findings in a Stage 1 Report highlighting issues, options and with provisional recommendations in May 2019, followed by a final report in January 2020.

**Financial Implications**

8. None.

**Implications for Wales**

9. The Commission's remit covers all nations of the United Kingdom.





## **City Regions – Policy Update**

### **Purpose of report**

For information.

### **Summary**

This paper provides an update on activity relating to a range of policy areas relevant to the Cities Regions Board.

### **Recommendation**

That the Board note the progress of the work being undertaken on behalf of the Board.

### **Action**

For members to note the update.

<b>Contact officer:</b>	Rebecca Cox
<b>Position:</b>	Principal Policy Advisor
<b>Phone no:</b>	020 7187 7384
<b>Email:</b>	Rebecca.Cox@local.gov.uk

## **1. Local Industrial Strategy**

- 1.1 Following additional funding provided by the Cities and Local Growth Unit, the LGA appointed two providers – Shared Intelligence and Metro Dynamics – to deliver an expanded Local Industrial Strategy (LIS) support offer.
- 1.2 Shared Intelligence are focusing on understanding and strengthening the role of councils in LIS development and their offer includes the delivery of action learning sets for council officers alongside cross-cutting engagement activity, including a LIS roundtable event that will be attended by national bodies representing local government, business and the wider public sector.
- 1.3 Metro Dynamics are focusing more broadly on the ‘key ingredients’ of LIS development and their offer includes the delivery of a fully-booked series of masterclasses on topics including developing a place narrative and producing a LIS evidence base.
- 1.4 The learning from both elements of this support offer will be captured and disseminated through an online LIS resource that the LGA is currently developing.
- 1.5 Members may also be interested in a recent report by the Joseph Rowntree Foundation (JRF), “How Local Industrial Strategies can deliver inclusive growth”.<sup>1</sup> The report clearly demonstrates the central role for councils in driving inclusive growth through a LIS and JRF recently presented their findings at the LGA’s LIS masterclass on inclusive growth.
- 1.6 Nationally, the first three trailblazer areas – Buckinghamshire, Greater Manchester and the West Midlands Combined Authority have now completed their public consultations and awaiting formal sign-off from Government.

## **2. Local Enterprise Partnerships**

- 2.1 The Government’s Review of Local Enterprise Partnership geography has yet to conclude with discussions still taking place in a number of areas. Officers have asked BEIS officials for an update on progress and will report back at the board meeting.

## **3. UKSPF**

- 3.1 There continues to be no further details on the consultation for UKSPF, and details are not expected until after the Parliamentary vote on the UK Exit from the European Union. The LGA will continue to make the case for a localised, place based replacement for EU funding that delivers outcomes for local communities.

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<sup>1</sup> <https://www.jrf.org.uk/report/how-local-industrial-strategies-can-deliver-inclusive-growth>

#### **4. UPP Civic University Commission**

4.1 The UPP Civic University Commission was established to explore how universities can most effectively serve their place in the 21st century. The LGA submitted evidence to the Commission that drew on learning from our experiences delivering the Leading Places programme and the Local Growth Academy with national higher education partners.

4.2 The Commission, chaired by Lord Kerslake, published its final report in February.<sup>2</sup> The headline recommendation from the report was for universities to commit to produce a “Civic University Agreement” in partnership with local government and other major institutions in their area. Over 40 universities have now agreed to develop these agreements within their areas

#### **5. Cultural Cities Enquiry**

5.1 The final report of the [Cultural Cities Enquiry](#) was published in February. Backed by urban authorities, the four UK Arts Councils and others, and chaired by Dame Jayne-Anne Gadhia, until recently chief executive of Virgin Money, the report aims to develop a new model to help culture flourish in cities. Alongside a ‘Cultural City Compact’ model (which would also be applicable in non-metropolitan areas), the report calls for a UK-wide review of how a tourist levy might work in the UK. This follows similar progress by Edinburgh in making the case for a consultation on the introduction of a tourist tax in Scotland.

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<sup>2</sup> <https://upp-foundation.org/wp-content/uploads/2019/02/Civic-University-Commission-Final-Report.pdf>



## Note of last City Regions Board meeting

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<b>Title:</b>	City Regions Board
<b>Date:</b>	Friday 25 January 2019
<b>Venue:</b>	Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ

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### Attendance

An attendance list is attached as **Appendix A** to this note

Item	Decisions and actions
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#### 1 Declarations of Interest

The Chair welcomed members to the meeting.

Apologies of members were noted.

No declarations of interest were made.

#### 2 Urban Leadership Campaign

The Chair welcomed Rebecca Cox, Principal Policy Adviser, to the Board.

Rebecca updated the Board on the proposals for the Urban Leadership Campaign. The paper sets out a draft campaign structure, outlines a set of statistical indicators to be used in constructing a campaign evidence base and provides the broad parameters of a commissioned piece of research to advance the case for fiscal devolution.

After a steer from members at the last Board meeting in November, officers concentrated on:

1. the pressures on local authorities and what opportunities can be opened up with other partners to identify new ways of working and where greater fiscal autonomy might lie;
2. how we can take this message forward and;
3. how the wider urban leadership campaign can set out the spending review.

It was explained that paragraph 11-18 set out how to land the campaign with consideration to three audiences: the public, local authorities and the Government.

The Chair updated the Board on what was discussed at the LGA Executive regarding the Fair Funding Review. The Board was informed that there was a strong unanimous view that deprivation should be part of the foundation formula and also that there should be an evidence base to drive this. The Chair referred to paragraph 16 which explains developing a campaign evidence base, and outlined that there is a list of authorities that provides a 'pen picture' of urban authorities, informs future policy direction and the work already developed.

The following points were raised in a discussion with members:

Members welcomed the work being undertaken with other organisations, but emphasised the need for greater representation of urban local authorities as it is fundamental to the formula that it be built around population because areas with the greatest deprivation are not being accurately represented.

Concerns of relevant representative organisations were noted on issues relevant to urban authorities highlighted by the Government's Fair Funding Review, with specific reference to the additional costs arising as a result of greater population density in urban areas who are also affected by travel speeds, which shows that density is an indicator that also affects costs, and this needs to feed into the work of the LGA.

Regarding the indicators outlined in paragraph 16 towards developing a campaign evidence base, those that do not fit the criteria means that not all urban areas will be correctly identified.

### **Decisions and Actions**

- Officers to incorporate members' comments on the draft campaign structure and evidence base set out at paragraphs 11-18
- Officers to incorporate members' comments on the principles outlined in paragraphs 19.

## **3 Spending Review (Verbal Update)**

Hannah Berry, Head of Campaigns and Digital Communications, updated the Board on proposed activity to lobby for greater devolution as part of the LGA's Spending Review campaign.

Hannah outlined that with the Spending Review as the LGA's main priority, there needs to be some wider strands to the campaign to echo the main strategies and objectives. One of these strands is devolution, which has been signed off by group leaders.

Hannah informed the Board of the four proposed objectives ahead of member's feedback:

1. Raise devolution up the national agenda and ensuring that this aim is not lost
2. Ensure that all areas in the country that wish to pursue meaningful devolution can do so
3. Demonstrate that devolving powers to local government is beneficial for central government and local communities
4. Highlight that councils can provide services that people can rely on and trust to deliver.

Hannah outlined the strategies proposed to achieve these aims:

1. To make the case for devolution that it can be successful in a post-Brexit climate to the two key audiences: the public and national politicians.
2. Consistent messaging is essential. The LGA will therefore focus on outlining what powers should be devolved and re-highlighting what benefits devolving these powers would bring.
3. As with the main campaign, the LGA plans to focus on using statistics and real examples in a national and international context.
4. Focus on how councils can be trusted by putting a face to local government through the use of officers and councillors across the country.

The main question posed to the Board was whether as well as highlighting the benefits of devolution, the LGA should also be seeking to highlight the risks of not devolving these powers.

The following discussion took place with members:

There was a keenness to include greater clarity on what is meant by devolution and ensuring we have a consistent definition with government.

There was concern with the structure of devolution not being widely understood by what it could deliver to residents. Therefore, it is important to get the messaging and terminology right in order to achieve this and ensure that local authorities are talking in a language that the public understand.

**Decision:**

Members of the Board support the objectives of the Spending Review Campaign.

**4 Brexit Update**

The Chair welcomed Ian Hughes, Head of Policy, to update the Board on the progress of the Brexit Taskforce. Ian provided a brief update that covered:

- the LGA's engagement with government departments on Brexit
- the additional government funding announced for councils relating to Brexit
- the efforts being made by the LGA to ensure that councils were being provided with greater certainty by government departments and that departments wherever possible are acting in a coordinated way.

Comments from members included concerns over levels of engagement with DEFRA on decisions regarding importing of fresh food and livestock.

**Decision:**

Members noted the update.

**5 Trade and Inward Investment**

The Chair welcomed Daniel Gardiner to the Board. Daniel outlined a draft set of aims to frame the LGA's policy engagement on trade and investment over the coming year, informed by the LGA's engagement in this area to date. Daniel then outlined the proposed next steps for the LGA to take these aims forward with government and key national stakeholders.

The Mayor of Bristol also fed back on a meeting with Secretary of State for International Trade, in which the opportunities to work through cities was highlighted and a commitment was made by the Secretary of State to meet with Core Cities four times per year.

Members made the following comments on the draft aims and next steps:

Emphasis was placed on the need to ensure that government money is not used to promote inter-area competition as this is counter-productive.

In relation to the aim focused on reviewing and strengthening sub-national trade and investment infrastructure (paragraph 12), this should feed into the LGA's next steps for engagement with the LEP Network (paragraph 22.6).

Accountability of LEPs remains a key issue.

**Decision:**

Members approved the proposed aims and next steps for the LGA's trade and inward investment work.

**6 Industrial Strategy (Verbal Update)**



Daniel Gardiner provided the Board with a verbal update on recent developments with local industrial strategies (LIS), the Government's review of local enterprise partnerships (LEPs) and the UK Shared Prosperity Fund (UKSPF).

In relation to LIS, Daniel outlined that the LGA has now commissioned a local support offer focused on LIS and have secured additional funding from BEIS which has allowed the LGA to appoint two providers – Metro Dynamics and Shared Intelligence – to deliver this offer.

Shared Intelligence will be focusing specifically on understanding and strengthening the role of councils in the development of a LIS and their offer will include the delivery of action learning sets for council officers seeking to instigate or further their authority's engagement with their LIS.

Metro Dynamics will be focusing more broadly on the 'key ingredients' of Local Industrial Strategies and their offer will include the delivery of a series of masterclasses on areas including driving inclusive growth through a LIS and developing a LIS evidence base.

In relation to the LEP Review, Daniel informed the Board that there had been no public announcement on geography thus far though some areas have begun to progress plans for changes and we understand that outstanding geography issues are limited to only a couple of areas.

Daniel also pointed out that the National Local Growth Assurance Framework had been published and that the LGA would continue to explore options relating to strengthening the democratic accountability of LEPs.

In relation to the UKSPF, Daniel noted that the consultation had not been published in December 2018 as planned. Daniel noted that once clarity is provided on the timing of the consultation, officers will consider the most appropriate option for capturing the views of the Board.

Members queried whether any resources were currently available on embedding inclusive growth at the outset of LIS development. Aside from the LGA's support offer, officers noted that the Joseph Rowntree Foundation were developing a report on the ways in which inclusive growth could be embedded into a LIS. Officers noted that this has not yet been published but committed to circulating to the Board once available.

### **Decision and Actions**

- Members noted the information in the verbal update.

Joseph Rowntree Foundation report will be circulated to members once published.

## **7 Devolution Framework (Verbal Update)**

The Chair welcomed Ami Beeton to the Board. Ami provided the board with a verbal update on the devolution framework and the LGA's work to support combined authorities.

Ami noted that the Chairman of the People and Places Board had recently written to the MHCLG Secretary of State regarding the devolution framework and that the LGA had received a holding reply from the Department's Parliamentary Under-Secretary of State, Jake Berry MP. Ami noted that there remains uncertainty around the scope and content of the devolution framework and when it will be published.

Ami also brought to members attention work commissioned by MHCLG looking at the internal institutional process of combined authorities. The LGA are expecting the findings of this work to be published in May and will be working with MHCLG to consider how this might inform the LGA's offer to combined authorities.

Ami concluded by noting that the LGA would be discussing concerns regarding reporting demands on combined authorities with the Combined Authority Chief Executive Network in February.

The Chair thanked Ami for her update, and congratulated her on securing her secondment placement at Surrey Council.

The Chair also highlighted the robust evidence review being undertaken in Greater Manchester through the GM Independent Prosperity Review.

### **Decision**

Members noted the update.

## **8 Employment and Skills Update**

The Chair introduced Jasbir Jhas to the Board.

Jas updated the Board on the LGA's skills and employment activity. This included progress on the Skills Taskforce jointly developed by this Board and the People and Places Board which aims to engage stakeholders on our 'Work Local' proposals.

A brief summary of the first roundtable (December 2018) was given, which included discussions on apprenticeships, low skills, career progression and the National Retraining Scheme.

Once the three roundtables are conclude (March 2019), officers will bring a paper to the Board on next steps.

The reformed Social Mobility Commission, chaired by Dame Martina Milburn, is due to release its 'State of The Nation' report in March 2019. The last report stated that councils should be doing more around social mobility. LGA officers have suggested that due to the cross cutting nature

of social mobility, the SMC chair should be invited to the a future LGA Executive as this would provide a good opportunity to discuss the development of the report.

Bushra Jamil, informed members that a paper was presented to this Board in February 2017 which highlighted the sectors ambitions in terms of an all age careers service. Since the LGA's position paper there has been the launch of the Careers Strategy and more recently the establishment of Careers Hubs,. Therefore, it is now an opportune time for the LGA to refresh its careers policy, as part of our Work Local campaign. Officers intend to produce a more detailed paper to the Board at a future meeting for discussion.

Cllr Peter John gave a brief update on London Councils 'Better Ways to Work' report on the labour markets in London. Cllr John outlined that it calls for Government to work closer with local government in fashioning how this agenda is taken forward. The report is available online and will be circulated to members.

The Chair introduced Lesley Giles, Director at the Work Foundation. Lesley leads a work programme seeking to champion 'good work' and to improve policy and business practices.

Given the range of issues covered by this Board, Lesley was asked to give her reflections on the following:

- our ability to address inclusive growth and the productivity challenge including through the current employment and skills system;
- the future of work including insecure work, the outlook post-Brexit and the continued advancement of new technology; and
- potential for the Industrial Strategy and local industrial strategies to address these challenges and opportunities nationally, locally and by sector.

Key points from presentation and discussion:

- According to ONS 96 per cent of our economy is small businesses. This is challenging management capability and leading to business polarisation of high and low skilled jobs.
- New technology and automation of jobs is resulting in skills gap, which need to be addressed with the changing nature of future work.
- According to OECD data, UK has young people leaving the education system with lower skills than the older generation, which indicates that we have not utilised technology effectively and upskilling the workforce is increasingly important.
- The Local Industrial Strategy offers a vital framework to drive the economy, strengthen partnerships and provide a whole government perspective. This offers an opportunity to look at how

to align a national strategy with local areas needs and unlock potential devolution.

- Recent employment growth has been in low wage, part-time contracts and job uncertainty, which questions the role of legislation relating 'good work'. It is critical for employers to ensure 'good work' as this affects the wellbeing of workers.
- Work Foundation have dedicated projects with businesses to think about specific health conditions and tailored health management systems.

The Chair thanked Lesley Giles for presenting to the Board.

#### **Decisions and Actions:**

- London Councils 'Better Ways to Work' report is available online and will be circulated to members.
- Once the three roundtables are conclude (March 2019), officers will bring a paper to the Board on next steps.

## **9 Note of the Previous Meeting**

Members **agreed** the minutes from the last meeting.

**Appendix A -Attendance**

Position/Role	Councillor	Authority
Chair	Sir Richard Leese CBE	Manchester City Council
Vice-Chairman	Cllr Abi Brown	Stoke-on-Trent City Council
Deputy-chairman	Cllr Clarence Barrett	Havering London Borough Council
Members	Cllr Robert Alden	Birmingham City Council
	Cllr Sean Anstee CBE	Trafford Metropolitan Borough Council
	Cllr John Beesley	Bournemouth Borough Council
	Cllr Martin Gannon	Gateshead Council
	Mayor Marvin Rees	Bristol City Council
	Cllr Jon Collins	Nottingham City Council
	Cllr Peter John OBE	Southwark Council
	Cllr Sue Jeffrey	Redcar & Cleveland Borough Council
	Cllr Roger Lawrence	City of Wolverhampton Council
	Cllr Paul Crossley	Bath & North East Somerset Council
Apologies	Cllr Tim Warren	Bath & North East Somerset Council
	Cllr Susan Hinchcliffe	Bradford Metropolitan District Council
	Mayor Joe Anderson OBE	Liverpool City Council
	Cllr Timothy Swift MBE	Calderdale Metropolitan Borough Council
	Cllr Debbie Wilcox	Newport City Council
	Cllr Julie Dore	Sheffield City Council
	Cllr Linda Thomas	Bolton Council
	Cllr Abigail Bell	Hull City Council

