

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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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.