

Councillors' Forum

Agenda

Thursday 18 October 2012
12.30pm

The Westminster Suite (8th floor)
Local Government House
Smith Square
London
SW1P 3HZ

To: Members of the Councillors' Forum
cc: Named officers for briefing purposes

Guidance notes for visitors

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Councillors' Forum
18 October 2012

The **Councillors' Forum** meeting will be held on **Thursday 18 October 2012** at **12.30pm** in the **Westminster Suite, 8th Floor, Local Government House, Smith Square, London SW1P 3HZ.**

Please note: The Political Group meetings will be held **prior** to this, as follows:

11.00am	Conservative	Westminster Suite (8 th floor)
11.00am	Labour	Smith Square Rooms 1 & 2 (Ground floor)
11.00am	Liberal Democrat	Smith Square Room 4 (Ground floor)
11.00am	Independent	Meeting Room 6 (6 th floor)

Lunch will be served in The Terrace Lounge (Members' Lounge) after the Councillors' Forum from 1.30pm and coffee / tea will be available at the Group meetings.

Apologies

Please notify your political group office (contact information below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Conservative:	Luke Taylor: 020 7664 3264	email: luke.taylor@local.gov.uk
Labour:	Aicha Less: 020 7664 3263	email: aicha.less@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent@local.gov.uk

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.

Location

A map showing the location of Local Government House is printed on the back cover.

Contact

Zoe Glacken (Tel: 020 7664 3236, Email: zoe.glacken@local.gov.uk)

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Councillors' Forum – 2012-2013

This Forum comprises a core group of around 100 members appointed by the LGA political groups in proportion to their political strength on the Association. However, all members are invited to attend meetings of the Forum.

Representative	Authority
Conservative (43)	
Sir Merrick Cockell (Chairman)	RB Kensington & Chelsea
Tony Ball	Basildon BC
Teresa O'Neill	Bexley Council
Paul Bettison	Bracknell Forest BC
Louise McKinlay	Brentwood BC
Geoffrey Theobald OBE	Brighton & Hove City Council
Martin Tett	Buckinghamshire CC
Shona Johnstone	Cambridgeshire CC
Richard Stay	Central Bedfordshire Council
Paul Findlow	Cheshire East Council
Mike Jones	Cheshire West & Chester Council
Kenneth Taylor OBE	Coventry City Council
Andrew Lewer	Derbyshire CC
Angus Campbell	Dorset CC
Stephen Castle	Essex CC
Peter Martin MBE	Essex CC
Ken Thornber CBE	Hampshire CC
Roger Phillips	Herefordshire Council
Robert Gordon CBE DL	Hertfordshire CC
David Simmonds	Hillingdon LBC
David Pugh	Isle of Wight Council
Paul Carter	Kent CC
Robert Light	Kirklees MBC
Clare Whelan	Lambeth LBC
Martin Hill OBE	Lincolnshire CC
Derrick Murphy	Norfolk CC
Gr. Off. Marco Cereste OSSI OMRI	Peterborough City Council
Ken Hudson JP MBE	Preston City
Neil Clarke	Rushcliffe BC
Peter Fleming	Sevenoaks DC
Kate Wild	Solihull MBC
Gary Porter	South Holland DC
Jeff Milburn	South Tyneside MBC
Philip Atkins	Staffordshire CC
Sir William Lawrence Bt	Stratford-upon-Avon DC
Joanna Spicer	Suffolk CC
Mark Bee	Suffolk CC
Kay Hammond	Surrey CC
David Hodge	Surrey CC
Gordon Keymer CBE	Tandridge DC
Ravi Govindia	Wandsworth LB

Louise Goldsmith	West Sussex CC
Melvyn Caplan	Westminster City
Labour [36]	
Stephen Houghton CBE	Barnsley MBC
Eion Watts	Bolsover DC
Linda Thomas	Bolton Council
Helen Holland	Bristol City Council
Dave Wilcox OBE	Derbyshire CC
David Sparks OBE	Dudley MBC
Simon Henig	Durham
Ann Lucas	Coventry City Council
Colin Lloyd	Crawley BC
Mayor Jules Pipe	Hackney LBC
Sharon Taylor	Hertfordshire City Council
Caitlin Bisknell	High Peak BC
Ruth Cadbury	Hounslow LBC
Catherine West	Islington LBC
Mehboob Khan	Kirklees MBC
Steve Reed	Lambeth LBC
Keith Wakefield	Leeds City Council
Mayor Sir Steve Bullock	Lewisham LBC
Tim Moore	Liverpool City Council
Sian Timoney	Luton BC
Sir Richard Leese CBE	Manchester City Council
Jim McMahon	Oldham MBC
Judi Billing	North Hertfordshire DC
Ian Swithenbank CBE	Northumberland Council
Graham Chapman	Nottingham City Council
John Merry CBE	Salford City Council
Bryony Rudkin	Suffolk CC
David Phillips	Swansea City and County Council
Paul Watson	Sunderland
Clyde Loakes	Waltham Forest LBC
Peter Box CBE	Wakefield MBC
Lord Peter Smith	Wigan MBC
Roger Lawrence	Wolverhampton City Council
James Alexander	York City Council
<i>Substitutes</i>	
Ian Ward	Birmingham City Council
Catharine Grundy	Birmingham City Council
Simon Blackburn	Blackpool Council
Mike Connolly	Bury MBC
Theo Blackwell	Camden LBC
Joe Hendry	Carlisle City Council
Chris Fegan	Chelmsford BC
Justin Madders	Cheshire West & Chester UA
John Mutton	Coventry City Council
Stewart Young	Cumbria CC
Paul Bayliss	Derby City Council
Anne Western	Derbyshire CC

Julie Young	Essex CC
Aaron Shotton	Flintshire CC
Michael Payne	Gedling BC
Tony McDermott MBE	Halton BC
Jagdish Sharma MBE JP MA	Hounslow LBC
Robert Khan	Islington LBC
Ron Round JP	Knowsley MBC
Judith Blake	Leeds City Council
Rory Palmer	Leicester City Council
Robert Parker	Lincolnshire CC
Mr Len Duvall	London Assembly
Hazel Simmons	Luton BC
Sue Murphy	Manchester City Council
Anne Schofield	Newcastle City Council
Sir Robin Wales	Newham LBC
Tudor Evans	Plymouth City Council
Roger Stone OBE	Rotherham MBC
Tony Page	Reading BC
Judith Blakeman	RB Kensington & Chelsea
Mike Roberts	Rushmoor BC
Steve Eling	Sandwell MBC
Richard Williams	Southampton City Council
Roger Hutchinson	South Gloucestershire Council
Iain Malcolm	South Tyneside MBC
Catherine McDonald	Southwark LBC
Marie Rimmer CBE	St Helens MBC
Barrie Grunewald	St Helens MBC
Mohammed Pervez	Stoke-on-Trent City Council
Brenda Warrington	Tameside MBC
David Edger	Tower Hamlets LBC
Tony Belton	Wandsworth LBC
Liberal Democrat (14)	
Roger Symonds	Bath & North East Somerset Council
Flick Rea	Camden LBC
Keith House	Eastleigh BC
Jeremy Hilton	Gloucestershire CC
David Neighbour	Hart DC
Abigail Bell	Hull City Council
Liz Green	Kingston upon Thames RBC
Kath Pinnock	Kirklees MBC
Duwayne Brooks	Lewisham LBC
Richard Kemp OBE	Liverpool City Council
Howard Sykes	Oldham MBC
Jill Shortland OBE	Somerset CC
Cathy Bakewell MBE	Somerset CC
Stan Collins	South Lakeland DC
Lord Graham Tope CBE	Sutton LBC
Substitutes	
Tim Bick	Cambridge City Council

Councilman Edward Lord OBE JP	City of London Corporation
Hilary Jones	Derby City Council
David Rogers OBE	East Sussex CC
Chris White	Hertfordshire CC
Terry Stacy MBE JP	Islington Council
Stephen Knight	Richmond upon Thames LBC
Alan Connett	Teignbridge DC
Mayor Dorothy Thornhill MBE	Watford BC
Liz Tucker	Worcester CC
Independent [8]	
Peter Jones	Babergh DC
Julian German	Cornwall Council
Chris Townsend	Mole Valley/Surrey CC
Paul Cullen	Richmondshire DC
Pauline Dee	Shropshire Council
Christopher Newbury	Wilshire CC
Norman Bradbury	Wigan MBC
<i>Vacancy</i>	<i>TBC</i>
Marianne Overton	Lincolnshire County Council
Bob Dutton	Wrexham County Borough Council
Apu Bagchi	Bedford Council

Agenda

Councillors' Forum

Thursday 18 October 2012

12.30pm – 1.30pm

The Westminster Suite, Local Government House

Item	Page	Time
1. City Deals and localising the levers of economic growth Members will hear from Cllr Keith Wakefield, Leader, Leeds City Council (tbc), Cllr Peter Box, Chair of the Economy and Transport Board and Giles Roca, Secretary to the All Party Parliamentary Group (APPG) on Local Growth and Head of Strategy at Westminster City Council.	3	12.30pm
2. Chairman's Update	31	1.20pm
3. LGA Board and Panel Chairs' Reports a: Children & Young People Board – Councillor David Simmonds b: Community Wellbeing Board – Councillor David Rogers OBE c: Culture, Tourism & Sport Board – Councillor Flick Rea d: Economy & Transport Board – Councillor Peter Box CBE e: Environment & Housing Board – Councillor Mike Jones f: European & International Board – Councillor Dave Wilcox OBE g: Finance Panel – Councillor Sharon Taylor h: Improvement and Innovation Board – Councillor Peter Fleming i: Safer & Stronger Communities Board – Councillor Mehboob Khan j: Workforce Board – Mayor Sir Steve Bullock k: 2012 Olympic & Paralympic Games Task & Finish Group – Councillor Stephen Castle	33	1.25pm

Date of Next Meeting: Thursday 22 November, 12:30pm, The Westminster Suite

City Deals and localising the levers of economic growth

Purpose of Report

For discussion.

Summary

The City Deals for the eight core cities have devolved new economic levers to our cities to drive growth and create new wealth and a recent report by the All Party Parliamentary Group (APPG) on Local Growth has called for further devolution of localities.

At this meeting, members will hear from Cllr Keith Wakefield, Leader, Leeds City Council (tbc), on the deal which was negotiated by the Leeds City Region; Cllr Peter Box CBE, Chair of the Economy and Transport Board, on the next wave of City Deals; and Giles Roca, Secretary to the APPG and Head of Strategy at Westminster City Council, will set out the recommendations of the APPG's report 'What next for LEPs'.

Recommendation

Members are asked to note the presentations and discuss the LGA's role in representing the interests and concerns of local government in relation to its role in driving growth.

Action

As directed by the Councillors' Forum.

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Position: Head of Programmes
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City Deals and localising the levers of economic growth

What are City Deals?

1. City Deals provide functional economic areas (FEA) with the opportunity to have access to economic levers and powers that have been traditionally held by central government. This gives local leaders and businesses the ability to shape local economies in order to drive growth.

Background

2. At a time when Britain was in recession, Government set up a Growth Review as a rolling programme of policy development which was to last the whole of this Parliament. It calls on business to challenge the Government to remove barriers to growth. It is focused on four ambitions for the UK economy:
 - 2.1 To create the most competitive tax system in the G20;
 - 2.2 To make the UK the best place in Europe to start, finance and grow a business;
 - 2.3 To encourage investment and exports as a route to a more balanced economy;
and
 - 2.4 To create a more educated workforce that is the most flexible in Europe.
3. The LGA's Local Growth Campaign in November 2011 identified the key role that councils have in driving local economic growth and their ambition to do more. It set out that a key way to deliver councils' ambition for growth would be through more devolved powers and matching finances so that more levers of growth could be handled locally.
4. This position was supported by the launch of the Unlocking Growth in Cities document by the Cabinet Office in December 2011 which set out that cities were seen as having the potential to drive economic recovery. It was felt that having the ability to determine the precise shape of local improvements in, for example, transport infrastructure, would improve the place, encourage investment and drive growth for that area.
5. The Government saw the Core Cities (Liverpool, Manchester, Birmingham, Sheffield, Leeds, Bristol, Nottingham and Newcastle) as key to driving forward national economic recovery. However, it was also acknowledged that these cities needed to be empowered locally to address the under-performance of most UK cities compared to their European counterparts.
6. Outside London, Birmingham is only the 71st largest city economy in the world, with Manchester 73rd and Leeds 85th. To realise the potential of these cities, the City Deal policy recognised that this would require new private sector investment; it would mean

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finding and retaining graduates and skilled workers, creating the conditions for firms to innovate and grow, and empowering strong decisive leaders who are able to take tough decisions. This would only be achieved through 'a fundamental shift in the relationship between national government and cities – starting with a genuine transfer of power'¹.

7. As a result, the City Deals concept was developed. The aim of which:
 - 7.1 Empowers local leaders so they can look outwards to the private sector rather than upwards to central government;
 - 7.2 Businesses can benefit from dynamic new partnership with civic leaders that yield new opportunities for investment and growth; and
 - 7.3 Local people gaining access to new job opportunities, better local transport and a housing market that is more responsive to local needs.

Wave 1

8. City Deals have been signed by the eight Core Cities (Liverpool, Manchester, Sheffield, Leeds, Newcastle, Nottingham, Bristol and Birmingham). They have each negotiated a deal with government to devolve powers and levers previously held nationally so that they can deliver extra growth.
9. Together the eight city deals aim to create 175,000 new jobs, 37,000 new apprenticeships and secure an additional £17bn worth of investment all over 25 years. Alongside this:
 - 9.1 Budgets on transport have been devolved;
 - 9.2 Cities are making critical investment in green infrastructure and technology;
 - 9.3 Cities are testing new ways of pooling funding on economic development; and
 - 9.4 Cities are testing a model that incentivises a city to invest in growth in return for a share of the national tax take.
10. The table below sets out the anticipated outcomes of Wave 1 city deals

City	Outcomes	Key tool
Birmingham	Birmingham estimates that the deal will deliver more than 10,000 additional jobs, through new investment in the life sciences and expansion of the Green Deal programme, alongside leveraging in over £15 billion of private sector investment over 25 years as a result of new financial powers.	Localised asset management – joint investment programmes that bring together local and national assets in an economic area to unlock resources for housing regeneration and development.

¹ Unlocking Growth in Cities – Cabinet office

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Sheffield	The Sheffield City Deal will create over 4,000 new apprenticeships and an additional 2,000 up skilled employees over a three year period and 7,000 new jobs through a city centre development scheme.	Local skills funding model – a new model of skills funding that will match local contributions (public and private with national funding to provide a skills budget that cities will control to invest in the skills that local businesses need.
Leeds	Leeds estimates that its deal will create 20,000 new opportunities for young people across Leeds City Region and a further 20,000 extra jobs as a result of new freedoms, powers over skills, employment and transport.	Localised youth contracts – local alternatives to the national 16 -17 youth contract programmes with cities having the power to design and deliver local models to reduce NEETs.
Liverpool	Liverpool estimates that its deal will support over 35,000 people into work and create 6,000 apprenticeships through new powers over skills and employment, alongside delivering an International Business Festival which will deliver £100million return on investment.	Skills bank – an employer owned mutual that will match public sector funding and private sector investment and allow businesses to buy the skills and apprenticeships that their local economy needs.
Nottingham	Nottingham estimates that the deal will create 10,000 jobs and 1,000 apprenticeships in and around the Creative Quarter.	Local Venture capital fund - a localised model that will match national funding with local contributions to create a venture capital fund that will invest in high tech start-up and growth businesses across an economic area.
Bristol	Bristol estimates that the deal will deliver 40,000 jobs across the Enterprise Areas and existing Enterprise Zone and over £1billion of investment to drive local economic performance over the next 25 years, as a result of new financial powers.	Business growth hubs – city led business hubs that brings together all the support advice and services that investors and local businesses need to locate, grow and trade
Newcastle	Newcastle estimates that the deal will create around 13,000 jobs and	Accelerated Development Zone – unlocking city centre

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	secure £1billion of investment over the next 25 years as a result of new financial powers, alongside an additional 8,000 jobs in the marine and offshore sector in the North East and 500 new apprenticeships in Newcastle.	growth which will prove £1bn boost to the North east economy. New tax increment financing powers with all growth in business rate income generated within the four site retained by the two councils for 25 years.
Manchester	The Greater Manchester deal will support 40,000 jobs in the next 20 years and 6,000 apprenticeships for young people, alongside new powers which will allow Greater Manchester to 'earn back' up to £30million a year of tax for growth it creates.	Earn back - a new payment by result model that incentivises a city to invest in growth in return for a share of the national tax take.

11. Several of the deals have led to City regions developing new governance structures. Liverpool and Bristol have voted to have directly elected mayors which will be supported by decision making structures across wider economic areas. Leeds and Sheffield are moving towards creating West Yorkshire and South Yorkshire Combined authorities. Nottingham's deal is based solely within the city council's boundaries and they have set up a private sector governance arrangement to deliver the deal.

Key features of the Deals:

12. Whilst the content of each of the deals is bespoke to the specific area, there are some key issues which underpin each deal:
- 12.1 A transformative idea which leads to the reform of public services, such as the earn back deal in Manchester;
 - 12.2 The unlocking of new private sector finance to support investment in local initiatives that will boost economic development; and
 - 12.3 Robust governance arrangements around functional economic areas– for example the combined authorities in the case of Manchester, Sheffield and Leeds.

Expansion of City Deals – Wave2

13. The LGA's Local Leadership, Local Growth paper in July 2012 signalled that not just cities are responsible for driving growth and leading Britain out of recovery. It summarised that 'Councils are ambitious to do more to target growth incentives and programmes more effectively to local economic circumstances'.

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14. A number of councils – outside of the core cities have expressed their desire to broker a deal with central government along the lines of City Deals.
15. The LGA has already spoken to ministers about this issue and pressed the case robustly for “Local Growth Deals” to be offered to any council or group of councils that can offer a transformational idea that would support new growth.
16. The Head of the Cities Unit in the Cabinet Office attended the last LGA Economy and Transport Board and the growth which could be delivered from ‘non-city’ deals was set out by members.
17. It is expected that an announcement on Wave 2 will be made in late October. It is expected that up to 15 new economic areas will be invited to bid for deals, but that a smaller number will be offered deals, based on the ideas submitted by councils. Ministers have acknowledged the lobbying by the LGA, counties and rural areas for their role in driving economic growth to be recognised and that these areas should be able to negotiate deals. As a result of this lobbying, the Department for Business, Innovation and Skills (BIS) and the Department for Communities and Local Government (CLG) are now in discussions to develop a policy framework for deals outside urban areas.

Report of the All Party Parliamentary Group (APPG) on Local Enterprise Partnerships (LEPS)

18. The APPG on LEPs produced its first report in September.
19. Oral evidence was provided to the enquiry by the leaders of the LGA’s Economy and Transport Board. The report of the Group was extremely sympathetic to localism. It called for a further round of City Deals and for further devolution of LEP areas (for example, to support skills provision). The APPG’s Chairman was Brandon Lewis MP, who has recently become a CLG minister. CLG will make a formal response to the report in the autumn.
20. The full report of the Group (and a summary of its recommendations) is attached as **Appendix 1**.

All Party Parliamentary Group on Local Growth, Local Enterprise Partnerships and Enterprise Zones

Where next for LEPs? Report of an inquiry
into the effectiveness to date of
Local Enterprise Partnerships

September 2012



Foreword from the Chair of the APPG



I am delighted to introduce the report of our first inquiry, into the effectiveness of Local Enterprise Partnerships (LEPs). Since forming in 2011, the APPG has attracted cross-party support and has connected

Parliament with those driving local growth on the ground.

This is a timely and important inquiry. It is almost two years since local authorities and business leaders submitted initial proposals for LEPs. Since then the economic outlook has remained bleak, with the slowest recovery from recession for decades, and the human consequences are becoming entrenched in many local economies. As the Government is starting to recognise through initiatives such as City Deals, local growth – and the right mechanisms for supporting it – will be crucial to the national economic recovery. This report explores how LEPs can be placed at the heart of a more holistic approach to growth.

This inquiry has heard from over 80 individuals and organisations including business leaders, LEP chairs, councillors and council officers, business and skills bodies, specialist professionals and civil servants. From this, and my own local experience with the New Anglia LEP, there is evidence in some

areas of productive partnerships between business and the public sector, led by business leaders volunteering their time to promote local growth. As localist institutions, however, LEPs have inevitably and rightly varied in their focus, and are recognised as being at different stages of development and effectiveness. Despite this diversity, though, there was a clear consensus that LEPs need genuine devolution of power and influence, sufficient funding and improved connectivity with Government and the national economic agenda in order to succeed.

At the LEP Network Conference in April 2012, the Secretary of State for Communities and Local Government recognised that LEPs are “leading the local charge” for growth, urging LEPs to identify barriers to “getting things done” and demand “what you need to make progress”. Our report aims to do just that, setting out a blueprint for how, in their second phase of life, LEPs can get the powers they need to go for growth. With the need for bold initiatives to drive growth topping the political agenda, we would welcome Government’s response and a timely discussion about how to take these recommendations forward.

Brandon Lewis MP
Chair, APPG Local Growth

Foreword from the sponsor

CH2M HILL is delighted to support the work of the APPG on Local Growth. Its first inquiry will make a positive and timely contribution to the ongoing debate about how to deliver the conditions for business investment into towns and cities across the country. Having worked on many of the world’s largest and most complex infrastructure and urban regeneration programmes including the Panama Canal Expansion, Masdar City and as CLM Delivery Partner to the Olympic Delivery Authority, we see firsthand the extent to which local and national governments are seeking to renew communities, drive growth and attract investment. Increasing competitiveness, local economic development and infrastructure provision, from transport networks to broadband, must be a continued focus for government. Equally, business must play its role too, helping to foster innovation and entrepreneurship and investing in its employees and young people.

Jonathan Refoy CH2M HILL Europe

Summary of recommendations

Recommendations to Government

- 1) Government needs to trust LEPs and give them time to work without imposing radical changes to the fundamentals of the system or introducing time-consuming bureaucratic requirements.
- 2) Government should commit to providing a modest amount of core funding to LEPs in order to ensure that they have a basic level of staffing and the ability to act independently and balance different local interests.
- 3) Government should commit to consolidating funding streams available to LEPs and extending local financing mechanisms to enable LEPs to invest in local economies.
- 4) Government should commit to negotiating local growth deals which devolve funding and powers to LEP areas, building on the first wave of ‘City Deals’.
- 5) Government should commit to empowering LEPs to play a greater coordinating role on work and skills provision in their areas, and actively explore how this can be done.
- 6) Government should maintain high level access to Government for LEPs, ensure consistent communications with LEPs and Enterprise Zones (EZs) across departments and provide a single point of contact on LEP issues.
- 7) Government should ensure that all departments and agencies are committed to local growth objectives and involve LEPs in setting the national economic agenda.
- 8) Government should ensure that England’s inward investment offer is aligned with LEPs and particularly with EZs.

Recommendations to LEPs

- 9) LEPs, supported by Government, need to strike the right balance between formulating a strategic vision for their areas and undertaking project delivery.
- 10) LEPs need to widen and deepen engagement with a broader spectrum of local businesses and with key sectors in the local economy, industry and the community.
- 11) LEPs, supported and incentivised by Government, need to collaborate across boundaries, particularly on strategic planning, transport, housing and infrastructure.

Recommendations to local authorities and others

- 12) Drawing on their unique local democratic mandate, local authorities should show leadership in promoting a business-friendly environment across their whole LEP area(s), and use LEPs to help them collaborate across tiers and boundaries.

Background and previous research

The cross-party All Party Parliamentary Group on Local Growth, Local Enterprise Partnerships and Enterprise Zones was formed in 2011 to raise the profile of local growth issues in Parliament and in Government, connect policymakers with those driving local growth on the ground and provide a forum for information sharing and debate. The effectiveness of LEPs is a key concern for the group.

The creation of LEPs was announced as part of the Budget in June 2010, alongside the abolition of Regional Development Agencies (RDAs). In the Budget, the Government made clear their commitment to:

“Support the creation of strong Local Enterprise Partnerships, particularly those based around England’s major cities and other natural economic areas, to enable improved coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development.”

This commitment was reinforced and expounded by the Local Growth White Paper, *Realising every place’s potential* (October 2010). In June 2010, local authorities and business leaders were invited to submit initial proposals for LEPs. By the end of 2011, 39 LEP areas had been approved by the Department for Business, Innovation and Skills (BIS). In their short history, LEPs have garnered much attention and there is already a body of literature covering the experience of defining and establishing LEPs and the varying progress of established LEPs to date. Some of the issues raised in this work, and reflected by some participants in this inquiry, include the following:

- The contrast between RDAs and LEPs in terms of scale and area covered, legal status, statutory powers, budgets and governance, and consequent concerns around the ability of LEPs to deliver (Pugalis 2011; Smith Institute and Regional Studies Association 2012)
- The role of LEPs in attracting foreign direct investment (Fingar / fDi 2012)
- The management of the transition between RDAs and LEPs, particularly the speed with which this took place and the way in which RDA assets were disposed of nationally (Smith Institute and Regional Studies Association 2012)
- The logical basis of LEPs in functional economic geographies, and consequent concerns that a significant minority of LEPs did not reflect functional economic areas – either in terms of recognised city regions or travel-to-work patterns – or that they were at the wrong scale to deliver on economic growth priorities. Suggestions were put forward for a top-down restructuring of LEPs to address this (Centre for Cities 2011; McCarthy et al 2012)
- The wide variations in performance between LEPs, partly attributed to whether areas had well-established, functioning existing partnerships between local authorities and between the public and private sectors, and partly to wide variations in local economic conditions across LEP areas (Institute of Economic Development 2012; LEP Network 2012)
- The possible need for a consistent way of evaluating LEPs and the potential role of government in addressing the wide variations in performance between LEPs, potentially through extending additional powers to LEPs which were functioning well and providing additional targeted support for those which were struggling (Centre for Cities 2011)
- The potential role of LEPs in skills delivery and promoting innovation, and the potential for new funding options for LEPs to facilitate this (157 Group 2011; Work Foundation 2011; New Local Government Network 2012)
- The role of LEPs in infrastructure delivery, potentially through extending existing local funding mechanisms, in addition to the creation of new ones (New Local Government Network 2012; Localis 2012; London Chamber of Commerce and Industry 2012)

Recommendation 1

Government should give LEPs time to work without imposing radical changes to the fundamentals of the system or introducing time-consuming bureaucratic requirements.

This report recommends several improvements to LEP policy and practice, drawing on concerns raised by participants over the structure, powers and function of LEPs, levels of awareness of LEPs in the wider business community and the wide variations between LEPs in terms of strength of partnerships, resources and performance. However, there is a perception from many of those involved in LEPs that effective partnerships are being forged between public and private partners, and recognition that this requires sufficient time and a stable policy environment. Participants from all quarters were keen to emphasise that LEPs are newly formed and still establishing themselves, that they should develop in ways that are unique to their places, and that homogenous outcomes cannot be expected from LEPs of different ages and with different resources, powers and historical partnerships. The importance of sharing best practice through channels such as the LEP Network was emphasised.

“It is important to remember that LEPs are still relatively new organisations and must be given time to embed themselves effectively into the local economy... LEPs based on pre-existing partnerships will have an organic way of working together that has developed over time, but others with less experience might take longer to get used to the new arrangements”
London Chamber of Commerce and Industry

“The Government needs to hold its nerve and continue to lead on LEPs – there are flaws but they can be worked through” Dr Ann Limb, Chair, South East Midlands LEP

“Trust us more and let us get on with it”
Chris Pomfret, Chair, Cornwall and Isles of Scilly LEP

“Let LEPs rumble along and learn”
Martin Yardley, Managing Director, Coventry and Warwickshire LEP

“It is considered to still be early days in the formation of LEPs and they need to be allowed to bed in; be reviewed and refined, but not radically amended, at this stage in their development”
Gloucestershire LEP

“We are obviously monitoring projects locally but the Department for Communities and Local Government (DCLG) have now sent round a spreadsheet demanding details of funded projects. For some places this might be justified as a check, but for the position we are in, this is needless bureaucracy” Cllr David Mackintosh, Leader, Northampton Borough Council

Recommendation 2

Government should commit to providing a modest amount of core funding to LEPs in order to ensure that they have a basic level of staffing and the ability to act independently and balance different local interests.

Participants acknowledged that LEPs are not intended to become large, costly public bodies but noted that they rely heavily on business people giving up their time voluntarily, often with limited core support. There was a broad consensus that modest core funding could help ensure that individual partners, particularly local authorities but also potentially business organisations, did not dominate the LEP's agenda by virtue of providing funding or secretariat services, and that partners with less financial clout, such as district councils, were not excluded. Several participants emphasised the importance of accountability and it was suggested that core funding could be conditional on meeting basic governance and communications standards such as maintaining a LEP website and publishing minutes of meetings and accounts.

“LEPs have recently made representations to Government for further limited core support, to be matched by local partners. Government understands that if LEPs are to be successful key drivers of local growth... they need to be properly resourced” Department for Business, Innovation and Skills and Department for Communities and Local Government

“A lack of core funding for LEPs, combined with the exponentially fragmenting ED project funding smorgasbord, is having a debilitating impact on growth. LEPs lack the capacity to realize opportunities and vast swathes of senior management time are deployed in trying to... piece the bits of the funding egg back together” Buckinghamshire Thames Valley LEP

“The LEPs are working with far too few direct resources and need some central Government assistance to build their capacity to a level that can deliver” Matthews Associates Ltd

“We would certainly not be suggesting that funds should be provided to re-establish infrastructure which has previously been dismantled – but... LEPs need... sufficient funds to develop and deliver an independent strategic view. At the moment they are reliant either upon the goodwill of local authorities gifting or seconding staff and covering the costs of secretariat services, or perhaps others undertaking that role, for example Chambers of Commerce. In both these cases there are risks about impartiality and independence, not to mention the potential for competitive advantage over other similar bodies” National Enterprise Network

“The most significant constraint for SEMLEP is the lack of funding for the core team. Local authorities all contribute to SEMLEP's core funding and the Start-Up and Capacity Funds have been most welcome. However, the part-time executive and administrative support, which is all that can be provided at present, struggles to fulfil the essential tasks necessary... SEMLEP has identified 6 showcase sectors of Advanced Technology and Manufacturing, High Performance Engineering, Creative Industries, Logistics and the Green and Visitor Economy. There is a strategic Board lead to take forward a plan for growth in each... It has been difficult to progress this work as quickly as we would have liked” South East Midlands LEP

“The amount of money given needs to be enough for independence, but... it's a fine balance as if too much is available, bodies may take the attitude that they don't need partners” Dr. Andy Wood, Chief Executive, Adnams and Chair, New Anglia LEP

Recommendation 3

Government should commit to consolidating funding streams available to LEPs and extending local financing mechanisms to enable LEPs to invest in local economies.

The number of different funding streams and initiatives, and the Government's emphasis on competitive bidding, were felt to be counterproductive. LEPs, local authorities and businesses all reported that developing bids was too resource-intensive, while the allocation-based approach taken by the Growing Places Fund (GPF) received considerable support. Participants from all sectors felt that the uneven distribution of EZs and Regional Growth Fund (RGF) funding and the variations in EZ incentives across the country risked imbalances between LEPs and between local authority areas within LEPs. Retention of business rates from EZs was recognised as a helpful strategic focus. Participants felt that there was scope to explore how LEPs, particularly those without EZs, could generate funding; to consider incentives for business rate pooling across LEP areas; and to consider how LEPs could recoup and reinvest the rewards of infrastructure investment resulting in business rate base growth or job creation.

“Partnerships have had to compete for government funds such as RGF, Enterprise Zones and RGN pilots. The Government recognises that this has had resource implications for LEPs, and in the approach to GPF and elements of start-up funding, an allocation methodology has been used. Government believes that competition between LEPs can be positive in securing the strongest possible focus on growth by local partners” Department for Business, Innovation and Skills and Department for Communities and Local Government

“We would strongly welcome a more joined up approach between Government departments that ensures greater alignment of funds with similar objectives” Devon County Council

“The widespread ‘bidding for funding pots’ Government model... is a wasteful and inefficient use of public and private sector time”
Federation of Small Businesses (FSB) East Sussex

“The Growing Enterprise Fund, from the Enterprise M3 LEP, which my business recently gained funding from, was well thought through and comprehensible. However our recent RGF3 application required 2 months’ full time work and specialist help... beyond the reach of most small and medium sized enterprises (SMEs)”
Michael Hamburger, Director, Wey Holdings Ltd

“We collectively need to come together to think more creatively about what LEPs need to succeed and how that can be enabled.... running LEPs on a shoestring, and ad-hoc funding for key outcomes, will only get us so far” Greater Birmingham and Solihull LEP

“Areas that need to be urgently considered include the creation of a local revolving funding pot from (in part) pooled business rate growth retention, Business Rate Supplements, New Homes Bonuses, Community Infrastructure Levy, local authority land ownership and greater leverage from local pension funds... [this] would allow local projects to proceed which otherwise would be unlikely to secure central funding” Heart of the South West LEP

“Although business rate retention will accrue to the relevant local authority there will be benefits in those rates being pooled (potentially with other local authorities) into an economic development investment fund. However, without statutory or policy backing the LEP may not have the clout to achieve this. If it has, the LEP could play a significant part in determining the economic priorities for such a fund”
British Property Foundation

Recommendation 4

Government should commit to negotiating local growth deals which devolve funding and powers to LEP areas, building on the first wave of ‘City Deals’.

A significant issue identified by participants was the disparity in powers and resources between LEPs involved in the recent wave of ‘City Deals’, which granted new powers, funding and discretion over economic growth outcomes to English core cities, and LEPs unconnected to a core city. Some participants felt that the focus of City Deals on local authority partnerships could marginalise the private sector. Several participants across sectors felt that there was considerable potential – particularly in view of the Government’s professed openness to negotiation – for deals to be negotiated with LEP areas with good governance and buy-in, a viable economic area and strong growth capacity. Following the City Deals model, LEP areas would define their own priorities for growth and develop an ask to Government for devolution of powers and local consolidation of disparate funding streams. Local direction of national work and skills spending, new infrastructure funding and pooled local economic investment funds are measures included within some City Deals which could see considerable interest from LEPs.

“The Government should negotiate Wave 2 City Deals with LEPs wherever the LEP reflects economic geography and has genuine commitment from all partners. City Deals could allow LEPs to develop bespoke growth plans for their area, and negotiate the policy support and funding to put their plans into action. Tools and funding, once developed, should be made available to other LEPs that meet qualifying criteria. However, the LEP model has limitations in relation to City Deals, and does not provide a complete match with the geography at which Wave 2 Deals are likely to be negotiated, so does not provide a model that will work in all places”
Centre for Cities

“We very much hope to be able to negotiate directly with Government in the future to secure the freedoms and flexibilities we need to unlock growth in the local economy. Government needs to encourage and support locally distinctive approaches” Stoke-on-Trent and Staffordshire LEP

“Despite the Black Country not being a Core City, we believe that ‘Unlocking Growth in Cities’ provides us with an opportunity to progress implementing our growth strategy in these difficult economic times through extending our partnership working” Black Country LEP

“There is a danger that LEPs will divide between a first tier, able to take advantage of the opportunities afforded by the growth dividend that may flow from EZs, City Deals, etc and a second tier unable to benefit from these developments” British Property Foundation

“Greater devolution of funding/activities by Government Departments such as DWP along the lines of those proposed in the first wave of City Deals. It is not always a question of ‘new money’ but of using the sums already being spent in an area better. In this way fragmentation can be avoided and resources targeted at what the locality really needs” Tees Valley LEP

“In the short-term the LEPs need a mix of real powers and so far few commentators feel that they have them, especially on the ability to raise finance.... the [Local Government Resource] Review stopped short of making it absolutely clear that local authorities and LEPs have genuine finance raising powers (such as bond issuing powers) to get things done locally. Perhaps the proposed ‘city deals’ now being unveiled (July 2012) may go further on this”
Regional Studies Association

Recommendation 5

Government should commit to empowering LEPs to play a greater coordinating role on work and skills provision in their areas, and actively explore how this can be done.

The policy area where most participants felt LEPs should have more influence was work and skills, specifically in addressing the mismatch between local job markets and future employment trends, and the skills base and training provision available in local areas. Though many LEPs reported good work in building relationships between educational institutions and businesses, it was noted that that funding structures did not incentivise training providers to maximise employability, and that many functions and funding streams had been centralised. LEPs felt that they had little influence over the significant expenditure channelled through the Department for Work and Pensions (DWP) Work Programme and the Skills Funding Agency. There was also a feeling that too many agencies were involved, with youth worklessness provision being particularly fragmented. Government should ensure that LEPs have the political and practical support, such as access to data from Government agencies and Work Programme primes, to exert influence in this area.

“LEPs need to tackle and facilitate the ‘soft’ business advice/skills economic issues related to growth, not just the ‘hard’ infrastructure issues. Underlying economic capacity through people is as important to address as more bricks, tarmac, cable and track” FSB East Sussex

“Within the EZ, companies require skills and are desperate for apprenticeships but there is no relationship between this need and these employers and the FE sector.... If the focus is only on new jobs and not on training, there is a risk of losing what’s already there with business moving elsewhere in the country. An example is Church’s Shoes, which is seeing its workforce retiring without enough new people coming in as trainees”
Cllr David Mackintosh, Leader,
Northampton Borough Council

“For decades councils have witnessed schemes scatter provision across their areas, with little scope for local partners to shape, quality assure, join-up or add local specificities to the vast majority of schemes.... Without it, there is a risk that support will not reach young people that need it most, and that where it is accessed, it does not connect with their aspirations or circumstances” Local Government Association

“Public agencies, beyond our Local Authority partners, could do more in making data available to LEPs and seeking real engagement with LEPs. This is particularly challenging in areas such as skills which is a key priority for us but one where we face difficulties in obtaining funding and performance data in particular” Stoke-on-Trent and Staffordshire LEP

“Training providers... are businesses in their own right and driven by what fits their business model, as opposed to what training really needs to be delivered” CITB ConstructionSkills

“As an employer it is difficult to find technically qualified and experienced personnel... [we need to] obtain business support to gear the educational system to providing a literate workforce with appropriate technical and practical skills [and] involve successful business stakeholders in education and local government decisions” Michael Hamburger, Director, Wey Holdings Ltd

“Skills is a practical example of where the business community through the LEP should be able to hold the local training provider network to account” Sue Kirby, Membership and External Affairs Manager (Midlands), EEF the manufacturers’ organisation

Recommendation 6

Government should maintain high level access to Government for LEPs, ensure consistent communications with LEPs and EZs across departments and provide a single point of contact on LEP issues.

While LEPs largely felt that their level of access to Ministers and civil servants and the availability of BIS Local services were positive aspects of the LEP setup, some participants also felt that more consistency in policy and communications across departments was needed, as LEP and EZ policy falls between BIS and DCLG and also involves HM Treasury and other departments. Respondents felt that approaches from Government to LEPs were sometimes uncoordinated across departments, potentially leading to unrealistic expectations or a failure to involve or communicate with LEPs; particular concerns were raised in this regard about the Treasury. In addition, the lack of a single Government point of contact on LEP issues sometimes resulted in delays, inhibited the coherent communication of local growth policy to business and the public, and acted as a barrier to business engagement with LEPs.

“Our relationship with BIS Local is exemplary”
Alex Pratt OBE JP, Founder, Serious Brands Ltd and Chair, Buckinghamshire Thames Valley LEP

“Central Government officials from BIS and CLG have been very supportive and have consistently taken issues back to their respective Departments and provided advice. However, at times this advice could have been provided more quickly”
South East Midlands LEP

“Government departments all engage or want to engage with LEPs. DWP, DCLG, BIS, the Department for Environment, Food and Rural Affairs (DEFRA) and UK Trade and Investment (UKTI) all provide different levels of support and asks of LEPs and there is a lack of coordinated initiatives, approach or engagement” Lorna Gibbons, writer and blogger on LEPs

“Lack of communication with the Treasury is a real issue [and] there is still a tendency for departments to act as ‘gatekeepers’ rather than develop a more ‘partnership-based’ culture”
Black Country LEP

“There is always the need to ensure that differing Government Departments coordinate policy initiatives so as not to confuse or lead to delay in delivery by LEPs. An example of this is the Treasury’s insistence that Business Rate Uplift income to the LEP be limited to 150 ha which could compromise our Investment Plan”
Tees Valley LEP

“Leicestershire has prioritised the low carbon industry for growth. The Department for Energy and Climate Change (DECC) are saying that the Green Deal will create 65,000 jobs, without speaking to LEPs about how this might actually happen on the ground” Andrew Bacon, Director, British Gas Community Energy and Chair, Leicester and Leicestershire LEP

“Pace of change in policies to support economic growth is still too slow and the lack of progress in breaking down departmental siloes to deliver ‘joined-up’ government is a significant barrier to growth and is disappointing. Other departments are now ‘jumping on the bandwagon’, expecting to use LEPs as their delivery vehicles for their policies – but not providing resource or investment to do that” Swindon and Wiltshire LEP

Recommendation 7

Government should ensure that all departments and agencies are committed to local growth objectives and involve LEPs in setting the national economic agenda.

Participants identified some public agencies as being well aligned with LEPs' objectives. However, it was felt that other agencies and some Government departments were insufficiently aware of LEPs' role, while some agencies were identified as being obstructive to LEPs' progress on local growth. Further to this, a range of participants questioned whether LEPs should play a greater role in informing the national economic agenda, and identified several areas where they felt LEPs should have more influence, notably on skills and inward investment as mentioned elsewhere but also innovation, green economy initiatives and former RDA assets.

"LEPs [are seen] as a convenient but marginal device in the big policy game-changers of economic growth. For instance: only two mentions of LEPs in the National Planning Policy Framework... and in the Plan for Growth, [LEPs were given] no mentions in big strategic choices – confined to RGF, GPF, and EZ roles" David Marlow, Managing Director, Third Life Economics Ltd

"The inability of LEPs to influence and hold to account national programme providers is another concern. Leicestershire engaged unsuccessfully early on with Work Programme providers and has proved to be a difficult area" Leicester and Leicestershire LEP

"CWLEP currently has a planning application in which will result in 15,000 jobs but we are up against an objection from English Heritage around the view from a Roman fort... agreement around the importance of growth, not at all costs but as a priority, needs to be reflected across agencies" Martin Yardley, Managing Director, Coventry and Warwickshire LEP

"Under our collective efforts to 'remove barriers to growth' it is vital that Government plays its part across the piece rather than perpetuate the previous silo approach... Government Departments and organisations such as the Department for Transport (DfT), Highways Agency, Environment Agency, Natural England, Sport England and others must seek to enable development... this message needs to be cascaded down... in order that those at the coal face receive the clear message of 'enablement not frustration'!" Worcestershire LEP

"We would also like to see absolute and holistic support for the LEPs across all public agencies... particularly in the context of the more 'difficult' discussions and decisions about ceding power of funding streams and assets" Heart of the South West LEP

"Influence over key components for growth is weak – e.g. Highways Agency, Technology Strategy Board (TSB), Skills Funding Agency, Ministry of Defence" Buckinghamshire Thames Valley LEP

"LEPs establish a meaningful dialogue... with business [which] also provides vital market intelligence... that will help public sector organisations and Government departments such as local authorities, TSB, UKTI and BIS respond positively to the future growth needs of business. We would encourage Government to introduce light touch mechanisms, perhaps through BIS Local, to help national policy makers take advantage of local LEP market intelligence so a local flavour can be reflected in national policy" Enterprise M3 LEP

"Consideration should be given to seconding staff from national public agencies to LEPs to enable the new partnerships to formulate policy on key issues" Cheshire and Warrington LEP

Recommendation 8

Government should ensure that England’s inward investment offer is aligned with LEPs and particularly with EZs.

Although Memoranda of Understanding have been established between UKTI and LEPs, many LEPs still felt that there was a lack of understanding from UKTI in particular of the need for sector-specific marketing offers, joined up across England, in order to attract foreign investment. Government should look to realign UKTI’s work towards this and ensure that business, through LEPs, has a voice in determining national policy. One practical suggestion was for UKTI to release inward investment data broken down by LEP area. Participants also noted that marketing LEP areas and EZs involved significant costs which were often difficult to meet from existing revenue, and questioned whether centrally held funding could be devolved in this area.

“It would be helpful if Central Government could... emphasise the importance of Enterprise Zones to bodies such as the Technology Strategy Board”
South East Midlands LEP

“Local authority officers have been required [by UKTI] to undertake 3 separate training session in order to have access to the pipeline of inward investment opportunities. This is very onerous”
Lorna Gibbons, writer and blogger on LEPs

“It would make sense for UKTI and LEPs to think about an ‘Invest in England’ approach that would harness emerging resources and ensure greater coordination. This would provide LEPs with a vehicle to compete with other parts of the UK for inward investment” Adam Breeze, Founder, Breeze Strategy Ltd

“LEPs and EZs... commented on the need for greater links with UKTI in order to maximize overseas investment opportunities. Although there is currently some coordination, a more programmed approach, fully resourced, coordinated and performance monitored is seen as being required” Centre for Entrepreneurship, Manchester Metropolitan University

“A number of the functions previously fulfilled by RDAs – most notably attracting inward investment, driving innovation and enabling access to finance – are not performed by LEPs and are now performed by central government... IED is unconvinced of the merits of this centralisation. In particular, running inward investment from the centre will not work in our view” Institute of Economic Development

“UKTI, while developing its contacts with the LEP, tend to think only in terms of cities... when liaising with possible inward investment opportunities. The Gatwick Diamond is working hard to raise awareness of the opportunities for inward investment in this area of the LEP but how can we, and C2C generally, get support from central UKTI?”
FSB West Sussex

“If LEPs are to be able to assess real trends and understand their role in inward investment, then UKTI figures must be made public, rather than the annual partial release of aggregated figures with no local breakdown. UKTI could and should release anonymised data simply showing each project, its location, source country, jobs created and industry. Until we see a more transparent breakdown, there will always be the suspicion that these results are distorted by projects which have little real impact on economic growth”
Adam Breeze, Founder, Breeze Strategy Ltd

Recommendation 9

LEPs, supported by Government, need to strike the right balance between formulating a strategic vision for their areas and undertaking project delivery.

A broad range of participants considered that LEPs – with their current level of resources – are more suited to setting deliverable economic and strategic priorities for their areas, and using their influence to promote delivery through key partners, than to direct project delivery. However, business bodies pointed out that tangible outcomes were crucial – particularly to smaller businesses with fewer resources to devote to speculative work – in order to gain and retain business buy-in among the wider business communities in which LEPs operate. Participants recognised that LEPs are increasingly being called upon to act as commissioners for a number of funding streams. There was a consensus that there are many different expectations of LEPs and some participants felt that it would be helpful to refine and clarify expectations of LEPs across Government to help address this.

“One of the main problems LEPs face is getting the balance right between strategic direction and delivery of projects/services. With the plethora of funding opportunities being targeted at LEPs there is the potential that they will drift into a focus on the micro management of bids and projects rather than setting a strategic vision for the growth of their area. It is important to ensure that LEPs themselves do not become unwieldy delivery bodies but rather use their influence to deliver through key partners, and keep their focus on providing strategic direction and an overview of project delivery” Business West

“LEPs are strategic bodies, and should not get involved in direct delivery, particularly where others are better placed or already active” Coast to Capital LEP

“The ability of LEPs to deliver is questionable. They look better equipped to take decisions on economic priorities and investment” British Property Foundation

“LEPs need to focus on key strategic priorities and actions where they can add real value and make a difference, communicate this to their wider business communities and try to manage expectations” Chief Economic Development Officers’ Society (CEDOS) / Association of Directors of Environment, Economy, Planning and Transport (ADEPT)

“The LEP will need to evidence its achievements on economic growth and job creation by this date, if it is to be regarded as more than a high-level strategic think-tank” FSB West Yorkshire

“LEPs are not provided with central funding to undertake their roles yet Central Government Departments expect them to do a host of undertakings. This includes monitoring of new initiatives, allocation of resources and increasingly, be a consultee on Government initiatives. LEPs are also being approached by local government as a consultee on their policies. In the last fortnight, the Liverpool City Region LEP has had dialogue with BIS, CLG, DfT, Department of Health, DEFRA, and other agencies of Government Departments where in each case, the Department or Agency expects the LEP to be playing a specific role. Government needs to think seriously about how this is to be resourced if it continues to expect LEPs to convey a private sector led view in response. The risk is that LEPs will be reliant on public sector capacity and the private sector view will be sidelined” Liverpool City Region LEP

Recommendation 10

LEPs need to widen and deepen engagement with a broader spectrum of local businesses and with key sectors in the local economy, industry and the community.

A range of participants presented concerns and evidence that awareness of LEPs and their role was low in some localities and industry sectors. In particular, it was noted that small businesses were less likely to be engaged with LEPs.

Though this was partly a resourcing issue, industry representatives felt that the focus of LEPs was often on large businesses and foreign investment, whereas nurturing supply chains, promoting new enterprise and supporting SMEs is as important in terms of economic resilience and job growth. Some participants advocated improved representation for particular business sectors and aspects of the economy. The rural economy, property development, construction, retail, the community and voluntary sector and social enterprise were raised in particular and it was suggested that LEPs could consider creating dedicated sub-groups to ensure a balance of interests fed into decision-making. Participants raised concerns that a perceived lack of a voice, opaque decision-making processes and lack of tangible outcomes would make it difficult to attract and retain business interest in LEPs. It was emphasised that board-level representation was only part of the issue.

“In October 2011... only 23% of small businesses in Kent and Medway were aware of the SELEP. 73%... said that SELEP would not help their business”
FSB Kent and Medway

“Despite awareness raising campaigns, some businesses continue to see LEPs as a direct replacement for RDAs and assume a similar remit and budget. Many business leaders are looking for increased resources for their areas and their view on the effectiveness of LEPs is likely to depend on whether or not their funding aspirations can be met” CEDOS / ADEPT

“There are 28 LEP regions represented between the EEF representatives present here and their view on LEPs is largely damning, cynical, even ‘What’s a LEP?’” Sue Kirby, Membership and External Affairs Manager (Midlands), EEF the manufacturers’ organisation

“There is a high cost for small and micro businesses to attend such meetings: the actual cost of attending in fuel and parking, the actual lost time to the business and the lost potential of not being in the business. This triple-whammy is not recognised by the LEP structure”
Matthews Associates Ltd

“I fear that we could see businesses disengaging unless they can see results in the next 12 months – maximum” Matthews Associates Ltd

“The amount of publicity about the establishment of the Local Enterprise Partnerships has generated a good degree of interest... however... in the main it is the same people involved in these new structures which were involved in previous incarnations. It is still unclear how much involvement there is from a larger number of businesses and private sector representatives who are new to economic development structures of any kind” National Enterprise Network

“Businesses with an opinion seem to classify LEPs as large organisations involving local authorities, who do not communicate or necessarily understand smaller businesses” FSB Wessex

“Some LEPs feature no representatives of the SME sector on their boards. There is therefore a risk that LEPs tend to reinforce current power structures which channel funding to big infrastructure projects and away from the SME economy, which is what actually supports rural economies in the main. Many of the projects put forward actively undermine local resilience, and this is a cause for considerable concern. There is a sense that the proposals of some LEPs are actively working against vital aspects of rural economies (for example one of the key projects of one LEP is a supermarket regional distribution centre)”
Commission for Rural Communities

“The CLA accepts that the LEP structure is a new approach and it is important to recognise that it is too early to judge. Indeed, the example of the New Anglia LEP, where progress has been made on broadband, there is a dedicated Food and Farming Group and the LEP are responsible for the Defra Green Economy pathfinder project, illustrates what can be done where there is effective leadership and a joined up approach. Unfortunately, there appear to be few such examples” Country Land and Business Association

“In many cases ‘business boards’ were set up to give a more diverse representation from the business community. We very much welcome this.... However, evidence from some of the FSB’s regions is that in practice these are often being marginalised or used for ‘post consultation’ on decisions already made by the main board. It is important that maximum use is made of the time and expertise of those volunteering and that their voice is genuinely heard. If not there is a risk that businesses will become increasingly disillusioned to the point that they disengage” Federation of Small Businesses

“LEPs should consider setting up a wider consultative forum as part of their structure that will give local businesses and residents the opportunity to input into the LEP’s decision-making processes” British Retail Consortium

“Of over 500 board members across all 39 LEPs, only 72 (14%) are female.... Ethnic diversity of the boards appears to be markedly worse. Only 7 LEPs have any representation from the voluntary sector.... This distinct lack of engagement with the third sector is a missed opportunity if LEPs are to be really representative and reflect the aims and aspirations of their localities. There also seems to be a lack of support for the small business sector and local economies and a focus on high profile projects to the detriment of those that can best deliver on multiple outcomes including environmental and economic inclusion”
Friends of the Earth

“There is a need for LEPs to move away from thinking around a standard set of economic indicators as a barometer for progress, and more towards understanding the prerequisites needed for success – i.e. the strength of their local cross sector networks”
Centre for Local Economic Strategies

“We have misgivings about the structure of the LEP, which should have a clear leaning towards business rather than to the Local Authorities... It may be worth investigating opportunities for secondments to the LEP from the private sector, rather than the local authorities taking on the administrative tasks. Accountability to the business community must also be improved”
Mid Yorkshire Chamber of Commerce

Recommendation 11

LEPs, supported and incentivised by Government, need to collaborate effectively across boundaries, particularly on strategic planning, transport, housing and infrastructure.

Numerous participants emphasised the need for LEPs to engage with strategic planning and infrastructure issues and for Government to support and incentivise cooperation between LEPs in these areas. The bodies proposed to govern devolved local major transport funding allocations may provide a vehicle for groups of LEPs to cooperate on strategic issues. Other considerations include the extension of the Duty to Cooperate to LEPs, LEPs' role in influencing national infrastructure priorities, whether LEPs should be statutory consultees on planning applications and how to ensure accountability when LEPs influence decisions in these areas.

“LEPs need to engage with the planning system... to succeed... LEP priorities must be... linked to Local Development Frameworks to create the right environment for business space development and housing requirements to support business growth” District Councils Network

“LEPs could usefully do with more resources/ support from central and local government to develop and formalise their strategic planning role and local delivery mechanisms, as in the current climate, this arena could be where significant economic achievements could be made, as well as providing a strong legacy for the future” Gloucestershire LEP

“Closer working has given the private sector a more detailed understanding of why blockages exist – for example it's easy to say that the planning system is at fault for a delay, without understanding what that actually means – often it's a statutory consultee which is holding up the process” Martin Yardley, Managing Director, Coventry and Warwickshire LEP

“The Growing Places Fund and the devolution of DfT's major local transport funding provide the best opportunities to encourage cross-LEP collaboration.... The Government should allocate both Funds to groups of LEPs on the condition they work on infrastructure decisions that reflect the functional economic area of cities” Centre for Cities

“Freight transport in particular tends not to be confined to local authority or LEP boundaries... rail freight [routes] may transit several regions. Therefore consortia of LEPs need to work together to plan strategic transport projects” Freight on Rail

“Government Departments should develop a greater understanding of the role of... national infrastructure spending... in generating local economic growth and regeneration. Properly planned and targeted infrastructure spending could significantly help LEPs.... It is not sufficient to confine LEPs investment role to transport spending.... many infrastructure spending decisions are made on apparently narrow criteria by individual Government departments that overlook significant potential positive externalities” Royal Town Planning Institute

“Infrastructure has always been the catalyst for economic development; ports, canals, railways, motorways, airports and now the internet. No rural area can survive without it.... LEPs to ensure that the UK has the broadband infrastructure to support growth” Wey Holdings Ltd

“Oxfordshire LEP is determined to work positively with LEPs across its immediate borders. A number of initiatives have been put in motion... We believe that such a joined up approach needs to be mirrored by central Government” Oxfordshire LEP

Recommendation 12

Drawing on their unique local democratic mandate, local authorities should show leadership in promoting a business-friendly environment across their whole LEP area(s), and use LEPs to help them collaborate across tiers and boundaries.

Many participants felt that public / private cooperation was a key benefit of the LEP structure, and that active local authority involvement was crucial both strategically and democratically. In many cases LEPs were seen as a vehicle for improved cooperation between local authorities across boundaries. Participants felt that to be effective, local authority leadership should prioritise the economic interests of the whole LEP area over narrower concerns. Partnership working between district and county councils, and a lack of engagement between some LEPs and district councils, were identified as particular issues in some two-tier areas.

“C2C has been very fortunate to be supported by all four upper tier/unitary authorities.... Their Leaders or Deputies serve as C2C Board members. The district councils are engaged via the C2C Forum and via the five Area Partnerships...The financial support [from local authorities] has been significant and without it C2C would not have been able to form and operate for the first 18 months... Local authorities have played a key role in Growing Places, helping to identify suitable projects and lending expertise” Coast to Capital LEP

“Joint development across 4 local planning authorities (under business leadership) of a ‘Business Friendly Planning Approach’ launched in December 2011 and attracting national best-practice interest” Black Country LEP

“The Inquiry should consider the merits of introducing a ‘Duty to Cooperate’ with district councils on county and unitary authorities that operate in a LEP” Rushcliffe Borough Council

“Gloucestershire is striving hard to help integrate spatial planning and economic development to assist growth and local economic vibrancy. This objective is accompanied by a marked improvement within our business community in understanding the challenges and difficult choices often to be made in effective local planning. However this area of work is also resulting in a challenge of the public sector to do things differently, which requires careful relationship management”

Gloucestershire LEP

“The funding of LEPs wasn’t properly thought through; which in many cases has meant little separation or independence of the LEP from any dominant Local Authorities. It’s difficult to play an interdependent coalescing role in a place if you are yourself wholly dependent on those to whom you need to apply some discipline on occasion”

Buckinghamshire Thames Valley LEP

“Successful LEPs are characterised by the active involvement of senior local authority representatives not by local authorities trying to dominate the partnership” Cheshire and

Warrington LEP

“Housing in particular is a policy area where delivery is often undermined by disagreement between neighbouring authorities. LEPs are in a position to help overcome these problems by catalysing collaboration and exploring solutions, while avoiding areas where their lack of democratic accountability is a barrier” Centre for Cities

“There has to be an effective locally agreed ‘representation’ mechanism to hear the voice of Districts.... This could hinder the longer term development of LEPs if not addressed” District Councils Network

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Thank you to all those who participated in the inquiry:

Black Country LEP; Bolsover District Council; Breeze Strategy; British Property Foundation; British Retail Consortium; Buckinghamshire Thames Valley LEP; Business West; Can-Do Project; Chief Economic Development Officers Society and the Association of Directors of Environment; Economy; Planning & Transport; Centre for Cities; Centre for Enterprise; Manchester Metropolitan University; Centre for Local Economic Strategies; Centre for Urban and Regional Development Studies, Newcastle University; Cheshire & Warrington LEP; CITB ConstructionSkills; Coast to Capital LEP; Commission for Rural Communities; Cornwall and Isles of Scilly LEP; Cornwall Council; Country Land and Business Association; Coventry and Warwickshire LEP; Coventry University Business School and Birmingham Business School; Creative Skillset; Cross Country LEPs Research Group; Cumbria LEP and Cumbria County Council; Department of Business, Innovation and Skills; Department of Communities and Local Government; Devon County Council; District Councils Network; Dr. John Harrison, Loughborough University; Dr. Martin Dare-Edwards; EEF - the manufacturers' organisation; Enterprise M3 LEP; Federation of Small Businesses (national); Federation of Small Businesses - Coventry and Warwickshire; Federation of Small Businesses - East Sussex; Federation of Small Businesses - Kent and

Medway; Federation of Small Businesses – Wessex; Federation of Small Businesses – West Sussex; Federation of Small Businesses - West Yorkshire; Freight on Rail; Friends of the Earth; Gloucestershire LEP; Greater Birmingham and Solihull LEP; Hampshire County Council; Heart of the South West LEP; Institute of Economic Development; Leicester and Leicestershire LEP; Liverpool City Region LEP; Local and Regional Economic Development Programme, University of Birmingham; Local Government Association; London Chamber of Commerce and Industry; Lorna Gibbons; Matthews Associates (UK) Ltd; Mid Yorkshire Chamber of Commerce; Middlesbrough Council; National Enterprise Network; National Farmers' Union; National Skills Academy for Environmental Technologies; New Anglia LEP; Newark and Sherwood District Council; Northampton Borough Council; Northamptonshire Enterprise Partnership; Oxfordshire County Council; Oxfordshire LEP; Regional Studies Association; Royal Town Planning Institute; Rushcliffe Borough Council; Sheffield City Region LEP; South East Midlands LEP; Staffordshire County Council; Stockton-on-Tees Council; Stoke-on-Trent & Staffordshire LEP; Swindon & Wiltshire LEP; Tees Valley Unlimited LEP; Third Life Economics; University of Surrey and Surrey Research Park; West of England LEP; Wey Holdings Ltd; Worcestershire LEP

The APPG launched its call for evidence in June 2012. Three verbal evidence sessions were held at Parliament in July and written evidence submissions were accepted until August. A copy of the call for evidence is available at www.appglocalgrowth.org

The Officers of the APPG on Local Growth would like to thank Westminster City Council, which has coordinated this inquiry and report in its capacity as Secretariat to the APPG.

For any queries related to this report or the APPG, including how you could get involved and support its future work, please contact:

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Chairman's update 8 September – 5 October 2012

LGA business

1. The **political conference season** has been at full pitch, with each of the three major political parties meeting with their membership, businesses and charities to outline their policy priorities and shape the public policy debate.
2. This year many councillors from LGA member authorities spoke at all three main Party conferences. Alongside our members I will be using this opportunity to discuss the future of localism, public sector reform and the challenges facing local government.
3. At the September **Leadership Board** we considered collective switching of energy, Independent Local Government and Police and Crime Commissioners. The following day at the **Executive Board**, discussion focused on the Local Government Resource Review Consultation, Public Health Funding and community budgets. This month I attended a further Whole Place Community Budget Pilots Leaders meeting looking at the impact of the reshuffle and acquainting new ministers or portfolio holders on the progress of the whole place pilots and the best way to involve leaders from non-pilot areas in whole place. I was also pleased this month to meet with Board Chairs at the LGA to discuss future priorities.
4. I took part in a fascinating visit with the Royal Navy focusing on the work of Flag Officer Sea Training on HMS Monmouth and the work of the Royal Navy with local government in Plymouth.
5. At the end of the month I attended an **Association of County Council Chief Executives** meeting. I spoke about my reflections on the last year, LGA priorities for the year ahead and work around preparing for the forthcoming Autumn statement.

Ministerial/Parliamentary business

6. I attended an introductory meeting with **Rt Hon Jeremy Hunt MP**, Secretary of State for Health when we discussed future funding of adult social care, LGA's concerns on care and support reform and public health funding.
7. Alongside Cllr Ann Lucas I met **Rt Hon Theresa May MP**, Home Secretary to discuss local level funding to tackle Violence Against Women and Girls.
8. I was pleased to meet twice this month with **Nick Boles MP** in his new role at the Department for Communities and Local Government. Initial discussions focused on planning reforms and I held a further meeting with him to discuss Community Infrastructure Levy as part of ongoing work between the LGA and British Property Federation.

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9. I met with **Brandon Lewis MP** to discuss his new role at the Department for Communities and Local Government and LGA's priorities and was also pleased to meet with Mike Freer MP in his role as one of our LGA Vice Presidents.
10. I attended the **Universal Credit 2013 Pilot Launch** event alongside Lord Freud. The event formally brought together the 12 successful pilot authorities and outlined how the pilot process will operate.
11. I provided oral evidence to the **McKay Commission** regarding devolution to local government. The McKay Commission is considering how the House of Commons might deal with legislation which affects only part of the United Kingdom, following the devolution of certain legislative powers to the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales. I said to the Commission that it needed to consider the fairness of the funding settlement between the nations of the Union and, the anomaly that, the devolved administrations can take decisions for populations smaller than those of English cities and conurbations on questions which, in England, are still handled in an over-centralised way.

Meetings with other organisations and individuals

12. I participated in the **British Council of Shopping Centres** annual conference. It was very helpful to discuss how councils and the retail property sector can cooperate to stimulate retail-led regeneration in town centres and to emphasise the importance of the partnership between the retail sector and councils.
13. I met with Chris Simpkins, Director General of the **Royal British Legion** to discuss work around the community covenant and future opportunities for joint working. Over 200 councils have signed, co-signed or fully support a Community Covenant in their area and I was keen to outline the many positive examples of where local government and the armed forces can work together.
14. I attended the Localis report launch for 'Catalyst Councils: a new future for local public service delivery', and spoke alongside Rt Hon Oliver Letwin MP. I spoke at the Movers and Shakers' Property event on Smart Cities – smart solutions.
15. Alongside LGA Group Leaders and the Chairman of the Improvement Board I was pleased to meet with Michael O'Higgins, Chairman; Jeremy Newman, Chairman Designate and colleagues from the **Audit Commission** to discuss the draft Local Audit Bill and the Commission's studies programme.

Meetings with councillors and member councils

16. I was pleased to meet with **Cllr Alex King**, Deputy Leader of Kent County Council to discuss the Kent Developers Group. I also met with **Cllr Nicholas Rushton**, Leader of Leicestershire County Council to discuss working with the LGA and **Cllr Richard Stay**, Central Bedfordshire Council, to discuss leadership development.

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Children and Young People Board – report from Cllr David Simmonds (Chairman)

Local Authority Central Spend Equivalent Grant (LACSEG) consultation response

1. The Children and Young People Board has submitted its final response to the local authority central spend equivalent grant (LACSEG) consultation jointly with Society of Local Authority Chief Executives (SOLACE) and the Association of Directors of Children's Services (ADCS). The response highlighted our serious concerns with the methodology the Government proposes to adopt; which is not in accordance with its own New Burdens Doctrine.
2. In writing its response, the LGA worked with over 30 member authorities, with different numbers of academies, in estimating the real savings as well as the additional costs to authorities of setting up academies.
3. The LGA's response can be found on the website: www.local.gov.uk/children-and-young-people

Residential children's homes

4. Through September I have continued to represent the LGA on the Department for Education-convened working groups on out-of-area placements and quality of residential children's homes. The criticism of children's homes earlier in the year made clear the need for all parts of the system to work together to improve it. The groups bring together a range of stakeholders to inform the Government's plans for reform and the work has made plain the sheer complexity of the way the current system and market operate. The groups will report by the end of the year and in parallel the LGA is developing support for councils, with a particular focus on commissioning.

Deputy Children's Commissioner

5. I met with the Deputy Children's Commissioner, Sue Berelowitz, to discuss the current inquiry into child sexual exploitation in gangs and groups. Following an interim report published in July at the request of the Minister after the Rochdale case, the full report's findings are due to be published in November this year. Whereas the interim report was more focused on the prevalence of this problem, the second year has been focused around what the solution to the problem is.
6. The Deputy Commissioner updated me on the findings to date of the report which includes the need for awareness raising and making those who work in other agencies, who are not social workers, aware of what signs to look for in identifying children and young people who may be at risk. As both members and Police Crime Commissioners play a key role in local safeguarding and joint working on child sexual exploitation between councils and the police, I suggested that the LGA produced an on the day briefing for members and Police Crime Commissioners on the main messages of the report.

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Political Leadership in Children's Services Leadership Academy

7. I led and facilitated the first 'Political Leadership in Children's Services Leadership Academy' between 09 – 10 October. This development event is funded by the Children's Improvement Board as part of the sector-led improvement programme and aims to support lead members with the key challenges they face in the changing policy landscape and to develop leadership capacity, share learning and provide a valuable networking opportunity.

Media

8. On Friday 5 October I was interviewed by BBC World at One following claims by parents and charities that councils are cutting back on some services for children with special educational needs, such as speech therapy sessions and transport to schools. The new draft legislation should make it easier for councils to conduct assessments and should make it less burdensome for parents and their children and also reconfirm council commitments to provide SEN statements during this transitional period.

Visits to councils

9. I recently participated in a week long peer review. I have also continued to visit councils to discuss their work, including a recent visit to Suffolk County Council and to Kent County Council.

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Community Wellbeing Board – report from Councillor David Rogers OBE (Chair)

LGA meeting with the new Secretary of State for Health

1. On 3 October the Chairman and Chief Executive of the LGA met the Secretary of State for Health, Jeremy Hunt MP, to outline our key priorities in relation to health and social care:
 - 1.1. addressing the funding crisis in adult social care;
 - 1.2. getting the legislation on adult social care right;
 - 1.3. the quantum and distribution of funding available to support local authorities' new responsibilities; and
 - 1.4. the need to give the health of children and young people a higher priority in the health reforms.

Funding to support public health transition

2. From October, the Department of Health will be making available £15 million to support the transition of public health to local government. It will be available to upper-tier and unitary councils through their Primary Care Trust (PCT), to contribute to the costs associated with administering the transition and to help minimise the diversion of resources and staff from day-to-day delivery. Further details are available on the DH website: www.dh.gov.uk/health/2012/09/ph-la-transition/.

Meetings at Party Conferences

3. At the Liberal Democrat party conference in late September I was able to meet with both the new and former Ministers of State for Care, the Deputy Leader of the Liberal Democrats in the House of Lords and a variety of other representatives from organisations such as Leonard Cheshire Disability, the Kings Fund and the Co-operative Group.

Doing the Duty – using the Equality Framework to make evidence-based decisions

4. Implementing the Public Sector Equality Duty correctly is an area where some councils have been challenged in the recent past. Using the Equality Framework for Local Government was a key topic at the LGA's 'Doing the Duty' conference held on 24 September, and chaired by Cllr Peter Fleming, Chair of the LGA Improvement and Innovation board. Over 100 delegates attended the day.
5. The LGA's Equality Frameworks are available online at www.local.gov.uk/equality-frameworks and offer a systematic and structured self-assessment and improvement tool, along with case studies and other resources.

Tackling illicit tobacco

6. On 25 September Councillor Gillian Ford, Deputy Chair of the Community Wellbeing Board attended an event hosted by Fresh North-East and Tobacco Free Futures which

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explored the problems caused by illicit tobacco. The transfer of responsibility for public health opens up new opportunities for councils to establish tobacco as a key area of work through their Health and Wellbeing boards.

Dementia Action Alliance Quarterly Meeting

7. Councillor Francine Haeberling of the Community Wellbeing board opened the September Quarterly meeting of the Dementia Action Alliance (<http://www.dementiaaction.org.uk/>) on Tuesday 25 September, which focused on the concept of Dementia-friendly Communities. The National alliance, which is made up of over 100 organisations, is encouraging the establishment of local Dementia Action Alliances, following the success of those in Nottinghamshire, South Lincolnshire and the East Midlands region. You can find the LGA's Dementia-friendly Communities toolkit at www.local.gov.uk/ageing-well.

Launch of Healthwatch England

8. On 01 October, I attended the launch event of Healthwatch England on behalf of the LGA. The organisation is one of the key components of the new Public Health infrastructure in the UK and the LGA will continue to work closely with it at a national level, and provide support to councils at a local level. We aim to ensure that all local authorities can establish effective Local Healthwatch organisations over the coming months.

Local Healthwatch – Further funding secured and LGA support

9. As part of the LGA's support for Healthwatch, we hosted a joint conference on 04 October with the Department of Health. Chaired by Cllr Linda Thomas, Vice-Chair of the Community Wellbeing Board, the event was attended by over 130 delegates and featured seminars on community engagement, the LINKs' legacy and Healthwatch's role beyond commissioning followed by workshop sessions.
10. I am pleased to convey that the LGA has secured indicative funding of £16.5 million for Local Authorities to deliver Healthwatch, up from the £11 million originally offered, following lobbying work. This is additional funding for local Healthwatch and the new information providing service, on top of the baseline of £27 million which will transfer from LINKs to Local Healthwatch next year.
11. The LGA also launched six briefings entitled 'Establishing local Healthwatch' to assist local authorities and their partners in commissioning, setting up and developing local Healthwatch. The briefings will be publicised to the sector and are available on www.local.gov.uk/health

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Culture, Tourism and Sport Board – report from Cllr Flick Rea (Chair)

Visitor Economy

1. I have written to the Chief Executive of Keep Britain Tidy to highlight coastal councils' serious concerns about changes to the Blue Flag Scheme. The Blue Flag scheme plays an important role giving people information about the quality of bathing water and helping to attract visitors who make a vital contribution to local economies. However, tougher EU water quality standard criteria are being introduced two years earlier than planned, meaning councils and their partners have less time to get ready for the changes. This is compounded by the fact this summer's unusually high levels of rainfall is already making it more difficult for councils to obtain and retain Blue Flag status for their beaches. I have urged Keep Britain Tidy to postpone the introduction of the tougher water quality standard to allow councils and their partners the full time they had scheduled for making water quality improvements and to help support the economic recovery of local businesses and communities.
2. Following the Government's reshuffle, Rt Hon Hugh Robertson MP adds tourism to his portfolio, and I have written to highlight both councils' vital leadership role in the visitor economy (one of the few sectors experiencing economic growth) and their commitment to using the legacy of the 2012 Games to make a long-term difference to participation in physical activity.

The Night-Time Economy

3. I led a workshop about the role of culture in the night-time economy at the LGA's Managing the Night-Time Economy conference on 26 September. I highlighted the contribution of festivals, the use of museums and libraries as evening entertainment spaces, and the potential of the Live Music Act to help create a vibrant, locally appropriate and safe night-time economy. Delegates shared the role of culture in their own night-time economies and highlighted the importance of close working between councils, communities, cultural organisations and local businesses.

Arts Council England

4. I have written to Sir Peter Bazalgette, the new Chair of Arts Council England from February 2013. I highlighted that together councils and the Arts Council are this country's biggest public investors in culture, and that a strong national and local partnership between the Arts Council and councils is essential if publicly funded culture is going to thrive in tough financial times.

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

City Deals

1. On behalf of the LGA and the Leeds City Region, I attended the signing ceremony on 18th September at No.10 Downing Street where our eight Core Cities officially confirmed their deals with Government. Based on discussions with ministers, it is anticipated that there will be an announcement regarding proposed wave 2 cities at the end of October.
2. At the September Economy and Transport Board meeting, Miatta Fahnbulleh, Head of the Cities Policy Unit in the Cabinet Office came to discuss the City Deal process. Members were very keen to highlight the role of rural and county areas in improving the national economic picture and the ambition of these councils to do more to drive growth. We discussed a range of factors such as working across functional economic areas (FEAs), the importance of governance and innovative funding mechanisms as the key issues for City Deal areas. Again there was a call for both a mainstreaming programme of measures from Wave 1 to be available to all and a way forward for “non-city” areas to sign city deal type agreements. I have written to Cities Minister, Rt Hon Greg Clarke MP, to reiterate the points made at the Board. The LGA is also hosting an event on 31 October at Local Government House on Local Growth and City Deals – details can be found on the LGA website, www.local.gov.uk/events.
3. I spoke to the LGA Urban Commission on City Deals, together with Chris Murray from Core Cities and Alex Thompson from Localis, setting out the LGA’s position on the development on the City Deal process and taking on board the Urban Commission’s perspectives on the cities agenda.

Local Growth Campaign and Town Hall Summits

4. The Board continues its work to raise the profile of councils’ role in promoting economic growth and recovery and to test solutions to the blockages that last year’s campaign identified as restricting councils in fulfilling their ambitions to do more. The challenge this year is for the LGA to work with councils to develop solutions and levers to enable them to realise their ambitions whilst balancing the impact of significant spending reductions.
5. I launched this year’s programme of Town Hall Summits last month with an event hosted by Dacorum Borough Council in Hertfordshire, where we set out the Economy and Transport Board’s work programme with councils to help them promote economic growth opportunities in their communities. The next Town Hall Summit will be hosted by Basildon Council on 13 November. This will focus on inward and outward investment and the role that councils are playing in attracting new foreign investment to the UK, while supporting our firms to develop new markets abroad. From this summit, we will make a clear localist offer to Government so that we can help drive economic recovery. The full programme of Town Hall Summits and details on booking your place will be published on our website.

Hidden Talents

6. Last week I launched our research into graduate unemployment trends around the country. It makes for worrying reading; overall the number of graduates in full-time work is on a continued

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decline from 57 per cent in 2003 to 51 per cent in 2010. There is huge variation across the country, with some areas seeing around one in three (36 per cent) graduates in full-time employment while other areas see two in three graduates (60 per cent) in work. However, a handful of areas are bucking the downward trend with Bolton, Wakefield, Telford & Wrekin and Herefordshire showing a small increase in the number of graduates in full-time employment since 2007. This is because England is made up of different local economies, which provide different challenges and opportunities for graduates. To give all graduates a better chance of finding work, we are calling for Government to give councils and employers greater powers so they can match skills training with jobs available in local labour markets. This research builds on our 'skills mismatch' report earlier in the summer, which provided hard evidence that the skills system must better equip young people for local jobs – the LGA's Hidden Talents material is available on the LGA website, at www.local.gov.uk/web/guest/economy/.

Local Major Transport Scheme funding

7. On behalf of the LGA, I wrote to Transport Minister, Norman Baker MP, to set out the concerns we have about the way in which Local Major Transport Scheme Funding is being devolved. In the letter, I asked for membership of Local Transport Boards, their governance and assurance arrangements to be a matter of local discretion.

Local Enterprise Partnership funding

8. Members should note the Government's recent announcement to provide further funding for LEPs to help them plan and develop their work in support of local economic growth. Local Growth Minister Mark Prisk MP and Department of Business, Innovation and Skills (BIS) Minister Michael Fallon MP, announced that £125,000 would be made available to each LEP this year – without a matched funding requirement. Thereafter, your local LEPs will be invited to bid for matched funding for 2013/14 and 2014/15, for up to £250,000. It will have to set out how it would be able to offer a cash match from public or private resources. This results in a potential total of £24 million additional funding for LEPs over the next three years. Government have not set any criteria for what the money can be used for, but they do have expectations that it will be on new activity rather than replacing existing resource. BIS/DCLG will be writing to councils with further details.

High Streets

9. On 26 September I spoke at the LGA's Managing the Night Time Economy Conference, led by the Safer and Stronger Communities Board. It focused on the role of local authorities in adapting town centres for the future - developing community, cultural and commercial hubs – as well as looking at the importance of the night time economy in helping to diversify that local offer.
10. I attended a Distressed Retail Property Taskforce meeting on behalf of the LGA. Facilitated by the British Council of Shopping Centres and sponsored by DCLG, it looks at options for leveraging investment into retail property in town centres, including opportunities offered by a redefined relationship between local authorities and retail property investors. The Taskforce, which meets twice a year, will soon commission research into the issue.

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Environment and Housing Board – report from Councillor Mike Jones (Chairman)

Councils' record planning permissions create a building backlog of 400,000 new homes

1. Further to our work in early September responding to the Government's Housing and Planning announcements, the LGA has released research which illustrates that there are 400,000 unimplemented planning permissions for new homes and that councils overwhelmingly respond positively to new development. We will continue to call for Government to focus efforts to boost housing growth on freeing up finance for developers and increasing the availability of mortgages for would-be home owners struggling to get on the housing ladder.

LGA submission to CLG Select Committee Inquiry – Housing and Planning

2. The CLG Select Committee Inquiry will take evidence on the recent government announcements on housing and planning from the new Housing and Planning Ministers on 15 October. Evidence submitted by the Environment and Housing board highlighted that a focus on wider market issues and access to development and mortgage finance is necessary to unlock development. The Board highlighted its concerns with recent planning measures such as proposals to extend permitted development rights and proposals to significantly expand the role of the Planning Inspectorate to make decisions on planning applications and to renegotiate the affordable housing element of section 106 agreements.

Green Deal Launched

3. The Government officially launched the new 'Green Deal' on 1 October. The Green Deal is designed to help householders and businesses improve the energy efficiency of their properties at no upfront cost with the improvements to be paid for out of any bill savings made. There are still a number of details to be confirmed, so householders won't be able to benefit until next year. A number of councils are looking to use the Green Deal to help generate local jobs and lever in investment. Birmingham City Council estimates that their local Green Deal – 'Birmingham Energy Savers' - could create 3000 jobs and generate £1.55 bn.
4. The Energy Company Obligation (ECO), an obligation on the energy suppliers to support the Green Deal by offering additional financial support to householders that are struggling with their heating bills or have homes that are very expensive to improve, will be launched early in the new year. Councils are pivotal to delivering the obligation because they can identify local opportunities for energy efficiency improvements that the energy suppliers can fund, and they can refer their vulnerable and fuel poor households to the energy suppliers for additional support. The LGA is lobbying to make sure that councils can take part in this brokerage without unnecessary bureaucratic constraints. Our Green Deal Conference, which I will be chairing on 12 November, was fully booked months in advance.

Climate Local

5. Our Climate Local initiative is going from strength to strength. My own council, Cheshire West and Chester, is signing up along with more than 50 councils around the country. Through Climate Local, councils commit to local action to reduce carbon emissions and

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increasing resilience to climate risks like flooding. The programme is showing how councils can have a real impact – reducing energy bills, protecting vulnerable communities from severe weather events and boosting the local economy through new green jobs and services. For information on LGA and council-led action to reduce emissions and build resilience go to: www.local.gov.uk/climate-change

LGA Members at the Party Conferences

6. Members of the Environment and Housing Board and other LGA Boards have been active at their party conferences this Autumn, contributing to a number of events as follows:
 - 6.1 *Liberal Democrat Party Conference* – Councillor Keith House, Deputy Chairman of the Environment and Housing board was hosted by the Association of Liberal Democrat councillors. In a discussion on the future of housing Councillor Gerald Vernon-Jackson also spoke regarding new approaches to home improvements
 - 6.2 *Labour Party Conference* – Councillor Clyde Loakes, Vice Chairman of the Board spoke at an event hosted by the Royal Town and Planning Institute (RTPI), which considered how planning can deliver the growth local economies need. Councillor Loakes also contributed to a fringe event which considered how local government can get the best outcome from the Green Deal for local businesses and consumers.
 - 6.3 *Conservative Party Conference* – Both Sir Merrick Cockell and Councillor Gary Porter attended events on housing future generations, hosted by the Royal Institute of British Architects and the Home Builder Coalition. I also attended a number of events, including one focused on the links between Housing and Social Care hosted by the Riverside (Social Housing providers) and Tunstall (providers of telehealthcare equipment); and a discussion of housing's relationship with growth, hosted by the RTPI.

LGA submission to Environment, Food and Rural Affairs (EFRA) Select Committee – Draft Water Bill

7. The LGA has also provided written evidence to the EFRA Select Committee's inquiry into the draft Water Bill. We reflected councils' concerns that the draft Bill is a missed opportunity for ensuring a stronger relationship and alignment of plans between water companies, councils and the Water Services Regulation Authority (OFWAT) in support of locally determined growth and development, and argued that any new legislation reduces red tape. With regards to the proposal of extending competition of supply and sewerage services to non-residential customers, it will be important that there are clear lines of accountability to customers, such as who is responsible when assets fail.

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European & International Board – report from Councillor Dave Wilcox OBE

DELIVERING OUR LOBBYING PRIORITIES

Future EU Funding - Brussels Delegation

1. A cross-party delegation of Board Members, including LGA Vice Chair, Councillor Dave Sparks and myself, met 20 Members of the European Parliament (MEPs) in the European Parliament on 18 September 2012 to make the case for the local delivery of EU funds after the EU budget is reformed in late 2013. The visit was scheduled ahead of key votes in the European Parliament when the package of new EU structural funds will be drafted. We wanted to ensure that MEPs understood the changing sub-regional geography of England and that it could deliver better value from EU funds.
2. A full brief was left with MEPs including evidence of where locally delivered funds worked well in their region, or where funds had a poor fit with local priorities. The evidence showed that where councils had more influence over the funds there was an alignment with local economies. Equally there were examples of limited local engagement in nationalised programmes when local programmes did not fit well with local business need.
3. We also took the opportunity to brief MEPs on other issues being considered by the Parliament affecting councils' day-to-day work: procurement, energy efficiency and working time. Part of the visit included a roundtable discussion with the UK Government, Commission, the European Parliament and UK regional offices on how best to use the future funds to ensure local growth.
4. A number of key outcomes resulted from the visit including commitments from several MEPs to consider amendments that need tabling ahead of key votes and to pick up the issues raised by the delegation in Party conferences, in their work with the media, in regional events back in the UK, and in their links with UK Government and the UK Parliament.

Future EU funding - Government Roadshows

5. The reform of EU funding is unlikely to be completed in Brussels until 2013, so there is still work to be done and time to influence the debate. During November and December, Whitehall departments are holding a number of roadshows across England to engage with local authorities and partners on the future of EU funding post 2013. This is a chance for the sector to input its views to ensure that local perspectives are built into the future delivery arrangements in England so I would encourage all councils to get involved. For more information about these roadshows, contact one of the local government secondees to the Department for Business, Innovation's negotiating team on kevin.richardson@bis.gsi.gov.uk or simon.nokes@bis.gsi.gov.uk.

Future EU funding - Welsh Local Government Association

6. On 21 September I spoke at a Welsh Local Government Association (WLGA) event on the negotiations with government on the future of EU structural funds in England. The event

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offered the perfect opportunity for the LGA and WLGA to continue their joint lobbying effort in Brussels, as well as to exchange information and advice on the establishment of future programmes in England and Wales. I talked about a range of issues linked to the debate, including the Community Led Local Development tool for managing local programmes.

EU Fines

7. At our September Board meeting, we agreed to step up our engagement with Whitehall and Parliament on developing a partnership between central and local government on EU issues. One area in which we are looking to do this is on EU fines. We have already been working to make the process fairer and have secured a number of safeguards for councils not originally envisaged. To build on this work, we are planning an EU summit with key Government departments focusing discussions on those issues within the upcoming 2013 EU work programme which will most affect council services. I look forward to keeping you abreast of progress.

EU energy efficiency proposals

8. I am delighted to inform you that following significant LGA lobbying efforts, European Parliament recently agreed to remove local councils from the obligation to renovate 3 per cent of their buildings annually. We successfully argued that to impose such a financial obligation on councils that are facing a tough budgetary climate would be inappropriate, and potentially expose councils to huge fines for non-compliance. The duty is now limited to central government buildings only.

INTERNATIONAL LINKS: LEARNING AND SHARING

LGA, UK Trade and Investment (UKTI) and Foreign and Commonwealth Office (FCO) collaboration

9. On 13 September 2012, Councillor Richard Kemp CBE, Vice Chair of the Board, hosted a joint LGA, UKTI and FCO evening reception exploring Trade Opportunities in Mexico. The Mexican local government is trying to develop a more commercial approach to public services and approached the LGA to help them contact UK firms. As a result, the LGA and FCO are looking at the role of local authorities as enablers of local economic growth, via support of international trade and investment opportunities. With speakers including José Luis Rodríguez, the Head of Office at UKTI Guadalajara and Alejandro Estivill, the Deputy Head of Mission at Embassy of Mexico, the evening successfully brought together Mexican Government and UK firms to look at the opportunities for investment and growth.
10. Over the coming months, we will be working with colleagues in the Economy and Transport Board to progress this work on the role of local authorities in promoting international trade and investment opportunities as part of the local growth campaign.

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Finance Panel – report from Councillor Sharon Taylor (Chair)

Finance Panel

1. The Finance Panel held its first meeting on 14 September. Members discussed a range of issues including Growth and the Autumn Statement, the work programme for the coming year and business rates retention, as well as receiving updates on housing finance, adult social care and public health funding.
2. It was a positive first meeting and members agreed that their work over the coming months would be focussed on:
 - 2.1. Continuing the LGA's work on the **future funding of councils**, including further developing our understanding of the revenue and spending outlook and the cost pressures councils face, with an eye to influencing future government spending plans;
 - 2.2. Monitoring the implementation of the new localised **business rate system**, including keeping an eye on the increased risks councils face and how they manage them;
 - 2.3. Seeking to influence the government's **welfare reform** policies, including in particular Universal Credit, localisation of council tax support, and localisation of the social fund, developing an understanding of their impact on local communities, tenants and councils, and supporting councils in managing the changes and the risks they create and
 - 2.4. Working with other boards, campaigning for councils to have greater freedom to finance future investment **in infrastructure and housing** and contribute to growth.

Business Rates Retention Consultation

3. Following a discussion at the last Executive meeting the Finance Panel office holders submitted the LGA's response to the Business Rates Consultation on 24 September. The LGA has always campaigned for greater financial autonomy for local government and we support mechanisms which increase local decision making and accountability. We therefore agree that the business rate should come under local control, under arrangements that provide clear rewards for authorities that grow business rates income.
4. However there are four key areas that need to be dealt with in order to make this reform a success, these are:
 - 4.1. **The 'set-aside'** – local government must have access to the full real terms growth in business rates in 2013-14 and 2014-15 and the cuts imposed in the Spending Review 2010 must not be allowed to become even more severe than originally expected because of the impact of higher than forecast inflation;

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- 4.2. **Fairness** – the principles of stability and a continuing powerful commitment to resource equalisation must be maintained, and the arrangements to deliver them independently overseen;
 - 4.3. **Risk management** – more detailed consultation is needed to ensure that the risk transferred by central government can be managed by councils at acceptable cost. Overall risks from inaccurate revaluation should remain with the government;
 - 4.4. **Incentives** – the new scheme should be fully tested against alternative designs in which the growth incentive for local authorities can be presented in clearer and simpler terms.
5. We will continue to lobby the Government on the reforms.

Local Government Finance Bill

6. The Local Government Finance Bill went to the Lords' Report Stage on 10 October, where amendments on Business Rate Retention and Council Tax Benefit were tabled by LGA Vice Presidents. The LGA is arguing for councils to retain a greater share of Business Rates than the Bill's prescription of 50%, and for flexibility on council tax discount, with our aim to gain flexibility on Single Person Discount from 25% to 20% for non-pensioners at the discretion of individual local authorities.

Council Tax Support Localisation

7. Along with our work on the Local Government Finance Bill, the LGA has been lobbying civil servants in the Department for Communities and Local Government (DCLG) and other Government departments about how the prediction for forecast council tax benefit expenditure in 2013-14 is made, as this will affect the total size of the grant. We are concerned that the current government forecasts underestimate the pressures that authorities will face. We have also, along with advisers, been working on costing the sums for new burdens which the Government will pay to councils.

Universal Credit

8. The Universal Credit Local Authority-led pilots had their launch event on 17 September. Of the 15 authorities recommended by the LGA eight were accepted as pilot authorities (Melton, Bath and North East Somerset, Lewisham, Rushcliffe, West Lindsey, Birmingham, Oxford, North Dorset). A further 2 (Oldham and Wigan) were recommended as going forward as part of the Greater Manchester Pathfinder project. The LGA is now working with the eight to get them mobilised and is aiming to run a programme of regional roadshows in early 2013 to showcase learning from the pilots and other authorities who have made significant progress in their response to Universal Credit.

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Improvement and Innovation Board – report from Councillor Peter Fleming (Chairman)

Innovation

Improvement and Innovation Board

1. I am delighted to announce that at our September meeting, colleagues and I agreed to rename the Board – the *Improvement and Innovation Board*. This is more than a presentational change; it more accurately reflects the breadth and depth of the work we have always been engaged in as well as reflecting my personal belief that innovation in local government is key for its future survival.

Creative Councils

2. I know that councils do far more innovation that we are ever aware of here at the LGA. I know too that councils are keen to try and be more innovative. This was clearly illustrated by my Board's discussion this month following excellent presentations from two of the six LGA/NESTA Creative Councils, Cornwall and Monmouthshire. Other Creative Councils will be discussing their ideas with other LGA Boards over the coming months and there is plenty of creative councils' presence on Knowledge Hub so please keep your eyes and ears peeled and I will continue to keep you updated through this report.

Call for innovation experiences

3. We are also keen to share councils' examples of innovation with colleagues here at the LGA and to a wider audience. I am committed to pushing the message that councils and the people that work in them should have the space and protection, where necessary, to take risks for the benefit of people, places and budgets of the future – but to do this we need to share real stories about the difference such attitudes and actions make. If you have any example from your council please share them with teresa.payne@local.gov.uk or mike.short@local.gov.uk.

Improvement

The future of local public audit

4. The LGA recently responded to the Government's consultation accompanying the draft local audit bill, which was published in July. In doing so we welcomed the proposal for councils to appoint their own auditors. However, we strongly believe that the requirement for independent audit panel with a majority of independent members and an independent chair is unnecessary and we expressed concerns about the proposal for the National Audit Office to have powers to undertake studies for the purposes of identifying 'improvements' which may be made by councils. We are actively discussing these matters with the Department for Communities and Local Government (DCLG) and NAO with a view to seeking amendments and I will keep you informed of any progress in this area.

Productivity

Realise the savings through shared services

5. I was happy to be recently reported saying that 'councils are the most innovative and efficient part of the public sector and this report demonstrates the kind of steps they are taking to save money and improve services'. I made this statement in relation to our recently released 'Services Shared: costs spared?' report. The report provides a detailed analysis of five

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shared service arrangements and insight into the scale of savings that have been achieved through sharing back office functions like IT and legal, and teaming up to deliver frontline services like waste disposal and road maintenance. In all, the five shared services saved £30 million between them across the lifetime of the sharing arrangements. This research contrasts with the recent publication of the Commons Public Accounts Committee report into Whitehall shared services which showed that such arrangements had cost £1.4 billion to set up – £500 million more than expected – and in some cases had actually cost more than they had saved.

LGA Shared Services Map Refresh

6. To support councils achieve such savings, last year the LGA produced an interactive map of shared service examples across England. I am pleased to announce that we have started our annual refresh of this shared services map. The refreshed map helps both to promote an understanding of the number, variety and depth of local government shared services going on across the country as well as to enable an efficiency figure to be attributed to shared services nationally. I would encourage all councils and partners to refer to the map before embarking on their own new shared services to see if there are any existing arrangements in their area that they can join in with or learn from. Please take the time to look at the map at http://www.local.gov.uk/web/guest/productivity/-/journal_content/56/10171/3511353/ARTICLE-TEMPLATE and if your council's shared service is not featured or if the savings figures have changed, then please contact Kate Anderson at kate.anderson@local.gov.uk.

Leadership

7. I strongly believe that great leadership from councillors, managers and chief executives is crucial to our shared vision for local government – efficient, accountable, reliable and changing lives for the better. With the role of councils rapidly changing, now more than ever we need to ensure our leading politicians and officers are bold and ambitious leaders; equipped to tackle these challenges and lead local government to make a difference, deliver and be trusted. With this in mind, I am pleased to confirm that the 2012 intake for the leadership development programmes run by the Leadership and Localism Team have made significant progress to increase engagement and participation while at the same time seeking to protect the quality, mix and profile of the participants to ensure they are suitable for the programme.

Transparency

Are you being served? Benchmarking resident satisfaction guidance

8. I am happy to announce that following an extensive consultation, we have launched 'Are you being served?' – a set of resident satisfaction, crime and cohesion questions that councils can choose to use in their local surveys, and guidance on the conditions that must be met to enable the results to be benchmarked against others who follow the same approach. Understanding residents' views is a key element of assessing the effectiveness of an authority, alongside cost and performance information. Furthermore, understanding resident satisfaction and being able to make informed comparisons can strengthen local accountability and be a key part of the sector's approach to managing its own performance. Local Government Inform (LG Inform) will provide the mechanism by which councils can undertake these comparisons. If you would like further information on resident satisfaction guidance or LG Inform, please email research@local.gov.uk.

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Safer & Stronger Communities Board – report from Councillor Mehboob Khan (Chair)

Police and Crime Commissioners

1. The LGA Executive received a report at its September meeting on the discussions between the LGA and Association of Police and Crime Commissioners (APCC) that have taken place over the summer and which the Board's Chair, Councillor Mehboob Khan, has been heavily involved in. These looked at the possibility of both associations making a joint offer to police and crime commissioners (PCCs) to support them at a national level. The result of the discussions was a proposal to create a Joint Strategic Partnership Board to promote the common interests of councils and PCCs at a national level across Whitehall, spread good practice and facilitate the building of relationships at a local level. The Executive has agreed to these proposals being taken forward.
2. Councillor Henri Murison attended the Home Office's Transition Sponsorship Board meeting in early September, which looks at all the transition work being undertaken to prepare for the introduction of police and crime commissioners. The Sponsorship Board heard back from Her Majesty's Inspectorate of Constabulary about their inspections and assessments of police authority preparations for the transition and progress in establishing police and crime panels. It also discussed community safety funding announcements, and the discussions between the LGA and the APCC on forming a Joint Strategic Partnership Board.
3. The Safer and Stronger Communities Board was represented at the Association of Police Authorities (APA) and APCC transition events in the middle of September. The Board's Vice-Chair Councillor Joanna Spicer spoke at the APA event about progress in establishing police and crime panels; and Councillor Mehboob Khan spoke at the APCC event for PCC candidates and highlighted the role councils could play in delivering on PCCs' manifesto commitments. He also emphasised the prevention role councils have in delivering safer communities and councils' experience in making financial savings, for example by merging back office functions.

Metal theft

4. The LGA arranged for two sets of amendments to be tabled to the Scrap Metal Dealers Bill at its committee stage in mid-September. One set would allow councils to stipulate their own licence fees in place of the capped fees the Bill would allow. Although the Home Office resisted the LGA's amendment this was on the grounds that they had their own amendment which delivered something similar, and this government amendment was accepted by the committee. As a result councils will be able to set their own fees for scrap metal dealers licences subject to having to have regard to guidance from the Home Office. The other set of amendments looked to allow councils to impose locally set conditions on scrap metal dealer licences but were resisted by the government on the basis they were too widely drawn. The Safer and Stronger Communities Board will continue to lobby on this point.

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Violence Against Women and Girls

5. The Board's domestic violence champion Councillor Ann Lucas accompanied the LGA's Chairman to a meeting in mid-September with the Home Secretary about the funding of services for the victims of domestic violence. The Chairman and Councillor Lucas were able to highlight the continuing commitment of local government in this area but pointed out the lack of financial incentive for councils to invest in these services when the police and criminal justice services benefit more. Councillor Lucas additionally highlighted the important role police and crime commissioners would have in this area once elected, and the role of preventing violence as well as the importance of tackling serial offenders.

Party conferences

6. Members of the Board, in particular the Chair, Vice-Chair and Deputy Chair Cllrs Mehboob Khan, Joanna Spicer and Duwayne Brooks were invited to a number of fringe events at their respective party conferences relating to community safety and the Board's wider remit. These included being asked to speak at the Association of Police Authorities / Association of Police and Crime Commissioners events at each party conference on the transition to police and crime commissioners, as well as at events by the Transition to Adulthood Alliance and Revolving Doors on the policing of young adults, and Catch 22 events on addressing gang violence.

Managing the night-time economy conference: 26 September 2012

7. This conference aimed to support councils in making connections across service directorates to drive local growth and manage a thriving night-time economy to the benefit of both residents and businesses. Chaired by Councillor Khan, it allowed member councils to showcase the work they had already taken to display leadership in reforming and regenerating local areas. Councillor Canver presented on the importance of engaging with Police and Crime Commissioners, while Councillors Peter Box and Flick Rea outlined the contributions that their respective programme areas could make to creating a vibrant and safe night-time economy.

Fire

8. Councillor Kay Hammond, Chair of the LGA's Fire Services Management Committee, met with the new fire Minister Brandon Lewis MP to agree an approach to working with the minister and department on fire matters. It was also an opportunity to press the LGA's case on a number of issues including retained firefighter pensions.

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Workforce Board – report by Mayor Sir Steve Bullock (Chair)

Pensions

1. The Public Service Pensions Bill was published on 13 September. The Bill is intended to enable the implementation of all of the new public service schemes including the Local Government Pension Scheme (LGPS) from 2014 and the Teachers Pension Scheme from 2015.
2. We are currently going through the clauses of the Bill and are seeking clarification from HM Treasury, who are the Bill sponsors, in a number of important areas. In particular those where the LGPS differs from the unfunded schemes. In light of the Bill, final discussions are now taking place between the LGA, the trade unions and Government to agree proposals in respect of future scheme governance and cost management.

Local Government Services

3. The Employers have been saying since February that they wish to avoid a fourth year of pay freeze in 2013. To that end we have over the past few months been attending regional meetings, placed articles in LGC, MJ and other media, written to Leaders and Elected Mayors and encouraged colleagues in the regional employer organisations to have discussions with councils in order to gauge authorities' views on what position the Employers should take in forthcoming negotiations.
4. There is consensus amongst senior politicians in the LGA that there should be genuine negotiations with a view to reaching agreement with the unions next year on an appropriate pay award. While progress has been slow, informal discussions have been held between the National Joint Secretaries over the summer and further meetings are planned. The Employers have not tabled any formal proposals nor discussed with the unions any specific percentage figure that may be offered in due course. However, in our discussions with the unions we have been clear that we are looking to reach agreement on a package that includes reform of terms and conditions and not just a 'headline percentage' pay increase.
5. Both sides are engaged constructively in trying to identify a potential deal on pay and reform for next year. In order to achieve an agreement next year both Sides will need to be reasonable, pragmatic and courageous during negotiations.

Fire

6. The Employers' Side of the National Joint Council (NJC) considered a pay claim seeking an increase of 3.5% when it met in June. In doing so, members were mindful of a number of issues including: the financial challenges facing fire authorities, economic pressure on the workforce, pension contribution increases applied to firefighters from April 2012, the Government's current public sector pay policy, a desire for reform of terms and conditions, and the current position for local authority employees both at national and local level. Taking all factors in to account members indicated to the Employees' Side

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that they would be minded to make some level of pay award linked to commitments in respect of reform of conditions of service.

7. Following a consultation of Fire Brigades Union members in August, a pay settlement agreement has now been reached:
 - 7.1. A pay award of 1.0%, effective from 01 July 2012;
 - 7.2. No increase to payments or allowances set at national level;
 - 7.3. Both Sides commit to work jointly on changes identified by each Side to ensure that there is a pay framework alongside terms and conditions in the fire and rescue service which reflect the responsibilities of, and current and future demands on, the service and the profession. Work will commence immediately, to conclude in time to report to the NJC in June 2013 and
 - 7.4. To engage in a shorter term joint review to consider the appropriate level for mileage rates in the fire service on a robust and objective basis. If a revision to the rates is agreed, it will be implemented with effect from 1 November 2012.

School Teachers

8. Members of the NASUWT and NUT have started a campaign of continuous industrial action short of a strike. The action is on the basis of:
 - 8.1. 'Workload pressures: damaging teachers' health and threatening educational standards;
 - 8.2. Pensions: imposing unfair contribution increases and changes to pension ages;
 - 8.3. Pay: continuing the pay freeze and proposing local pay and further performance related pay;
 - 8.4. Conditions: attacking national terms and conditions of service, including through the academisation of schools;
 - 8.5. Inspections: creating workload and stress through punitive and frequent inspections; and
 - 8.6. Job security: increasing job losses through funding cuts and curriculum reforms.
9. LGA advice has been sent to local authorities to help them respond to the action and advise schools. The advice is also available online at: <http://www.local.gov.uk/workforce-education-and-young-people>

Universal Credit

10. The Workforce Team is working closely with LGA colleagues to clarify the legal situation around the potential for transfer of displaced benefits administration staff to the Department for Work and Pensions (DWP) bodies that will administer Universal Credit. DWP's initial view – which they have communicated to councils – is that council benefits processing staff will not be entitled to transfer into the new Universal Credit delivery organisation, whether under the TUPE Regulations or by following the principles in the Cabinet Office Staff Transfers Statement of Practice (COSoP). The LGA does not agree

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with that view and we are in active discussions with DWP about it. In the course of the discussions the LGA and DWP have agreed to assess in more detail how the proposed service delivery model fits with the existing local government workforce, with a view to identifying the most appropriate way forward. However, if council staff do not transfer, we are discussing an appropriate level of provision for the redundancy costs that the Government is obliged to pay under the New Burdens principle. These discussions will be widened to include face-to-face and fraud investigation staff as the picture becomes clearer.

Standards for Employers of Social Workers

11. The LGA is launching a communications campaign to highlight the importance of the Standards for the delivery of social work this month.

Social Impact Bonds

12. The Workforce Team has been working closely with The Department of Health on a trailblazer scheme for councils adopting Social Impact Bonds as a method of funding and delivering adult social care.

Social enterprise / mutuals

13. A programme of research into the creation of new mutuals / social enterprises by local authority staff is now complete. In the next few weeks a web based resource containing eight case studies covering a range of different services will be available.

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**2012 Olympic and Paralympic Games Task and Finish Group –
report from Councillor Stephen Castle (Chairman)**

1. Councillor Stephen Castle attended the final meeting of the Nations and Regions Joint Members and Co-ordinators which took place on 18 September 2012. The Nations and Regions Groups (NRG) were established by the London 2012 Organising Committee and the Government Olympic Executive, with a group in every nation and region to ensure that all parts of the UK were involved in the staging of the 2012 Games. Each NRG established broadly similar structures, with a Chair and members from private, public and voluntary organisations making up the committee, supported by a full time coordinator.
2. The LGA worked closely with the Nations and Regions Groups from the outset and met regularly with the national Chair, Sir Charles Allen to review progress and to ensure that councils were able to support the wide range of initiatives being promoted by the London Organising Committee of the Olympic and Paralympic Games (LOCOG) and highlight any concerns that councils had raised with the LGA. The final NRG meeting, which took place just a week after the athletes' victory parade in London, provided the opportunity to celebrate the huge success of the Olympic and Paralympic Games around the UK and reflect on the experience of preparing for and hosting the Torch Relay and the Games.

National Local Authority Olympic Resilience Programme

3. The National Local Authority Olympic Resilience Programme, which was set up in August 2010, closed on 30 September 2012 having delivered all of its objectives on time and to the original budget. The aim of the Programme was to support and enable all local authorities in England and Wales to effectively discharge their statutory and regulatory emergency planning and response responsibilities effectively during the 2012 Olympic and Paralympic Games and to promote a coordinated and consistent national approach. The Programme was part of the Olympic programme within the Home Office Olympic Security Directorate and was formed after extensive lobbying of the Home Office by local government. The Programme was a strategic partnership between the Home Office, the London Fire Brigade and the Local Government Association and London Councils who provided support to the Team and access to Members and their wider Olympic work.
4. The guidance produced by the Programme was very well received, in particular the Assurance Framework, developed in conjunction with the host authorities, Olympic Security Directorate, Civil Contingencies Secretariat and the Police National Coordination Team. The Programme team worked with the LGA, host authorities, Department for Communities and Local Government and the Cabinet Office to put in place arrangements to represent local government during the Games.
5. The Task Group would like to thank Programme Manager, Andrew Huddart, for his contribution to the success of the Programme. His expertise and professionalism ensured the full support of all the stakeholders at local and national level. We wish him every success for the future.

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Cultural Olympiad

6. Alongside the sporting competition, the Cultural Olympiad's grand finale took place from 21 June to 09 September 2012. In the lead up to the last day of the London 2012 Paralympic Games on 09 September, audiences across the UK were brought together in community-wide celebrations of music and dance as part of the London 2012 Festival. The final event was the Bandstand Marathon which saw hundreds of bandstands around the country, including the Olympic Park Grandstand, strike up in song at the same time to mark the end of a fantastic summer of sport and culture. Since the Cultural Olympiad started in 2008, over 18 million people all over the UK participated in or attended over 9,000 performances and more than 8,000 workshops as part of Cultural Olympiad programmes inspired by London 2012 and funded by the principal funders and sponsors.

Legacy Ambassador

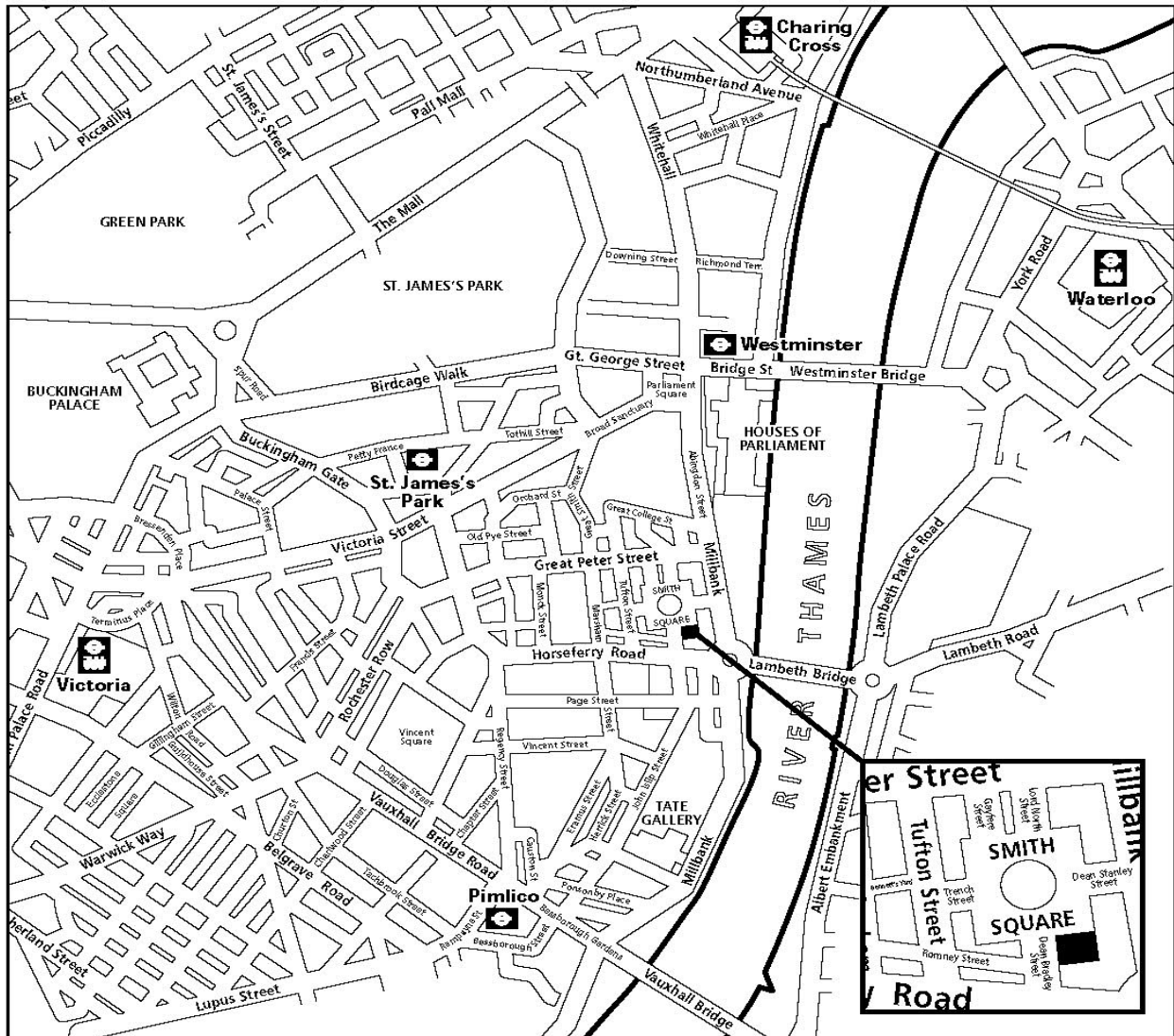
7. Working to secure the long term benefits of the Games was always an integral part of the bid to host London 2012 and a lot of attention is now being focused on ensuring that efforts to boost the sporting, volunteering and economic impact remains on track. A meeting is being arranged between the LGA and Lord Sebastian Coe who has been appointed legacy ambassador by the Prime Minister. Lord Coe will be based in the Cabinet Office.

Legacy 2013 fund

8. Cllr Castle met Alison Seabrooke, the Chief Executive of the Community Development Foundation (CDF) on 27 September to discuss a proposal for a new fund to support communities as a long term legacy of the 2012 Games and a catalyst for community development. The CDF is working with partners London Funders, Comic Relief, City Bridge and Trust for London on the proposed 'Legacy 2013' fund. The idea has been inspired by a foundation set up as a legacy of the Los Angeles Olympic Games and 28 years on is still supporting grassroots sport in the communities of Los Angeles and Southern California.
9. The LGA Task and Finish Group will have its final meeting on 8 November 2012 to consider recommendations on learning and legacy.

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LGA Location Map



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Public transport

Local Government House is well served by public transport. The nearest mainline stations are;

Victoria

and **Waterloo**; the local underground stations are **St James's Park** (District and Circle Lines); **Westminster** (District, Circle and Jubilee Lines); and **Pimlico** (Victoria Line), all about 10 minutes walk away. Buses **3** and **87** travel along **Millbank**, and the **507** between Victoria and Waterloo goes close by at the end of **Dean Bradley Street**.

Bus routes - Millbank

87 Wandsworth - Aldwych **N87**
3 Crystal Palace - Brixton - Oxford Circus

Bus routes - Horseferry Road

507 Waterloo - Victoria
C10 Elephant and Castle - Pimlico - Victoria
88 Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

Cycling Facilities

Cycle racks are available at Local Government House. Please telephone the LGA on 020 7664 3131.

Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone. For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car Parks

Abingdon Street Car Park
 Great College Street
Horseferry Road Car Park
 Horseferry Road/Arneway Street