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**The Rt Hon Hazel Blears MP**  
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A handwritten signature in blue ink that reads "Dear Margaret,".

02 MAR 2009

#### **CENTRAL-LOCAL PARTNERSHIP MEETING, 24 FEBRUARY**

May I first say that I am sorry that you were not well enough to attend the meeting on Tuesday. I do hope that you are feeling better.

I am pleased that we were able to have such a constructive meeting. There was a great sense of common purpose between us to drive positive action for our communities and businesses at this time.

Two issues that most struck me at the meeting were recognising the need for local responses to the downturn – this is a great opportunity for councils to step up to the mark with the potential for huge reputational benefits. I was pleased too that we agreed that it was critical at this time for local authorities to continue to engage and empower communities and that this needed to be a core part of the mainstream activity. Engaging service users and communities will ensure value for money and initiatives and policies that work. This is an issue that I will be following up more fully with you shortly.

I am, also, pleased that our officials are working on your organisations's role in strategic representation of the sector and partnership working with the rest of the public sector. This is reassuring as it is something I feel very strongly about - that the sector needs to be able to come together to deliver coordinated action for people across the country

I am very grateful to your organisation for coming to the meeting with such a range of ideas. A key priority is making sure that people and businesses are getting the help that they need now. This includes personal benefits but also small business rate relief. I am pleased that we have agreed to work together to step up efforts to raise awareness of these benefits.

I very much welcome the thinking behind the mutual fund proposal as it represents the local government sector thinking by and for itself – reflecting the aims of other sector led initiatives such as Regional Improvement and Efficiency Partnerships. The mutual fund, itself, is an initiative that I remain interested in as your thinking develops.

I am pleased that good progress is being made on apprenticeships but as the meeting recognised more work needs to be done in relation to where opportunities for apprenticeships lie - how many are in councils themselves and how many in organisations such as Further Education Colleges and schools - and what we can do with procurement rules to support this.

I am also pleased that your organisation has agreed to work up detailed proposals on job creation schemes where local government might be able to bring forward spending projects more quickly. The examples raised at the meeting were insulation and road repairs. A strong case - quantifying what could be done and demonstrating the ability to deliver investment quickly, together with the costs and impact of such investment and its scalability - would present a powerful contribution to the understanding of local government's role at this time.

Finally, I am keen to see more work done on incentives to keep empty shops occupied and ensure town centres retain a sense of vibrancy in these tough times. This is a key priority for the Government and is rightly part of a shared agenda with local government.

As attendees at the meeting will know, I want tangible, meaningful proposals and I want swift progress. To this end I have asked for a report back in four weeks time to understand progress. My officials stand ready to engage with yours. I understand that there is a request for a further meeting at this time, I look forward to receiving the action plan in four weeks as agreed and a meeting to discuss it in due course.

I have attached a fuller note of the meeting at Annex A.

A copy of this letter goes to the Rt Hon James Purnell MP, the Rt Hon Liam Byrne MP, The Rt Hon Margaret Beckett MP, Lord Tony Young, the Rt Hon John Healey, Pat McFadden MP and also to Angela Eagle MP who was unable to attend the meeting. It also goes to Councillor Sir Jeremy Beecham, Councillor David Shakespeare, Councillor Richard Kemp, Councillor Keith Ross and Councillor Ian Swithenbank.

  
**HAZEL BLEARS**

This work is vital to all of our  
countries - let's press on to  
deliver real actions that  
makes a difference.

# **Central-Local Partnership Meeting on the Recession**

**24 February  
2.30-3.45**

**Ministerial Board Room, Eland House**

## **NOTE OF THE MEETING**

### **Attendees**

The Rt Hon Hazel Blears MP (Chair)  
(CLG)

The Rt Hon James Purnell MP  
(DWP)

The Rt Hon Liam Byrne MP (CO)

The Rt Hon Margaret Beckett MP  
(CLG)

The Rt Hon John Healey MP (CLG)

Lord Young (DIUS)

Pat McFadden MP (BERR)

Helen Bailey (HMT)

Lindsay Bell (CLG)

Cllr David Shakespeare (acting  
Chair)

Cllr Sir Jeremy Beecham (Vice-  
Chair)

Cllr Richard Kemp

Cllr Ian Swithenbank

John Ransford (Chief Executive)

Jenny Crighton (Director of Strategy  
and Public Affairs)

Paul Raynes (Policy Programme  
Director)

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Apologies - Cllr Margaret Eaton OBE, Angela Eagle MP;

### **Opening remarks**

The Secretary of State for Communities and Local Government welcomed all to the meeting. She said it was right that this meeting focused on the economy.

### **Community Engagement**

The Communities Secretary said that it was critical, particularly at this time, for local authorities to continue to engage and empower communities and that this needed to be a core part of the mainstream activity. People would be more ready to accept difficult decisions if they felt that they had been given the opportunity to have their say. The LGA stated that they were at one with this sentiment.

### **Spatial impact of the recession**

It was recognised that the recession would affect areas differently, with some being at greater risk while others would demonstrate greater resilience. There was a particular concern registered by LGA, and recognised by Government, of the need to focus on structural changes in the labour market that could create long-term unemployment. The LGA stated that it was important that the impact of the recession must be managed so as not to leave a legacy of long term unemployment that had resulted from previous downturns.

The Secretary of State said it was important that the LGA both represented the sector and also exercised their influence across the sector including when acting in partnership with central government. The Government and the LGA welcomed that officials on both sides were taking forward work to ensure that all possible was being done.

The meeting agreed that local government should exercise community leadership working with and through their partners, including social enterprises. This was important for all activity. The Rt Hon James Purnell asked for feedback on which authorities had given rise to an LGA concern that some Job Centre Plus areas are not working as effectively as they might in partnership with local services. The Rt Hon Liam Byrne stressed that rapid feedback from local government was very important in relation to the Council of Regional Ministers.

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### **LGA's Recession Action Plan**

The meeting turned to consider the LGA's Recession Action Plan.

The Government had introduced the Small Business Rate Relief in recognition that such support was crucial for small businesses. More work was required on the feasibility and potential impacts of the LGA's specific

proposal to automate the rate relief scheme. In the meantime, the LGA and Government agreed to work together to promote the current scheme, together with Business Link.

LGA welcomed the Government's recent changes in relation to the 'firstness criterion' and access to training. Lord Young wanted to know more about LGA's concerns about the possible lack of fit between agencies in some areas in relation to the 'Train to Gain' scheme. It was agreed that the LGA would supply more details about their concerns.

Lord Young welcomed the LGA's and the local government sector's push on apprenticeships in local authorities. He was keen that all possible career paths were explored to see where apprenticeships were possible. He also asked that local government do more to encourage their suppliers to consider apprenticeships. It would be helpful if the LGA could provide examples of unnecessary bureaucracy in the Apprenticeships system that have been recently encountered by local authorities, to help in wider work already underway on reducing bureaucracy of the system.

On data sharing, which the LGA had raised as a barrier to partnership working to deal with local unemployment, the Rt Hon James Purnell undertook to explore the LGA's proposals and to make progress on the three 'data sharing pilots' that have been established to explore this issue further.

He also asked the LGA to engage with the Local Employment Partnerships initiative. It was agreed that this was an important initiative and one that central and local government should work on together wherever possible.

The meeting welcomed LGA's commitment to promoting benefit take up across the piece at the local level; and the Rt Hon Liam Byrne MP undertook to make this a strand of a new piece of Social Exclusion Task Force work on the risk of the downturn on lower-income groups.

The Communities Secretary welcomed the thinking behind the LGA's proposal for a Mutual Fund as a clear example of positive, strategic leadership by the LGA. Subject to public spending implications, CLG and HM Treasury remain interested in the initiative as LGA thinking develops.

The discussion on any need for changes to capital borrowing centred on whether existing arrangements supported sufficient borrowing. Government considered that the Public Work Loans Board and the current local government prudential system gave sufficient flexibility but was happy to explore the arguments further.

LGA raised the possibility that early expenditure by local authorities could achieve local priorities, support the local work force and have spin off benefits for the local economy. Road maintenance and insulation were the two examples raised. The Government welcomed this thinking and the LGA agreed to work up more detailed examples to quantify what could be done, to demonstrate the ability to deliver investment quickly and deliver value for

money for the taxpayer. The examples needed to quantify the costs and benefits of such investment and make its scalability clear.

Accelerated development zones raised the difficult issue of hypothecated taxation but this was being considered by CLG.

The Rt Hon Margaret Beckett welcomed LGA's interest in the ongoing work to deal with climate change and raised the importance of local authorities working in partnership with locally based community organisations to deliver commitments on this agenda.

On housing, she welcomed LGA's interest in support for first time buyers, their on-going feedback on the Government's schemes and any support that their members could give by promoting the schemes locally. She also encouraged the LGA to feed their views on the HRA surplus into the on-going Housing Finance Review.

Mrs Beckett thanked the LGA for their proposals on Growth Areas and Growth Points. She recognised that the Growth Fund had been over-subscribed. She said the government would need to monitor the implementation of the current scheme before taking a view on the next steps.

The Communities Secretary welcomed the LGA's thinking on planning and town centre management. She had been advised that proposals to extend the life of planning permission would require primary legislation and both sides recognised that there were issues to consider but agreed that this was an issue that should be explored further. The Communities Secretary was keen to see what options could be available for keeping town centres vibrant and said she would welcome the LGA's input into CLG thinking. This, and town centre management, were both areas on which it was important that Government and LGA should continue to work together.

### **Concluding remarks**

The Communities Secretary closed the meeting. She thanked LGA again for their work. She concluded that the key messages must be that work on the economy is a joint activity, that strategic leadership at the community level was critical and that the good will expressed at this meeting to work together must result in solid action for local communities and businesses.

LGA leaders agreed that their officials should work with CLG and other department officials to take forward the work agreed at the meeting and would report back to the Secretary of State on progress in four weeks time with any necessary further discussion in due course.