

24 May 2010

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## Post Election Lobbying Priorities

### Summary

This paper proposes that the Board's lobbying priorities on economic and transport issues are:

- a. Reforming the regional arrangements and developing council-led Local Enterprise Partnerships;
- b. Making the case for investment in transport infrastructure to support economic growth and regeneration as well as for the planning and investment decisions which influence physical development to be locally driven
- c. Reforming bus subsidy system to devolve a single funding stream to local transport authorities with greater powers to commission bus services locally.
- d. Securing local government's interest in the commissioning of the new Work Programme and the future of the Working Neighbourhoods Fund and, subject to discussion with the new government, the Future Jobs Fund;
- e. Securing a commissioning role for adult skills, and maintaining the council role in 16 to 19 learning and training.
- f. Creating better outcomes for young people aged under 25 following up our Hidden Talents project with the Centre for Social Justice;

### Recommendations

Board members are asked for their views on the Board's lobbying priorities.

### Action

Officers to reflect members' comments in future lobbying.

## Post Election Lobbying Priorities

### Future regional landscape

1. The government has yet to publicly confirm its commitment to **dismantling Regional Development Agencies** – although both the Conservative and Liberal Democrat manifestos commit them to reform of the RDAs and giving responsibility for economic development to local councils. Assuming Conservative proposals for Local Enterprise Partnerships (LEPs) proceed, there will be important questions about the configuration, scope, funding and governance. Our two principal objectives will be to ensure that RDA funding is devolved to councils and to work jointly with government to ensure that councils lead the creation of LEPs.

### Investment in transport infrastructure

2. Tackling the deficit through reducing public spending is the top priority of the new government. A key challenge will be to ensure that investment in the transport infrastructure the country needs continues to avoid deterioration of existing networks and increasing capacity to support economic recovery and growth. The LGA work on this issue will:
  - Set out the case for continued capital investment in infrastructure
  - Ensure the most efficient use of public sector investment through aligning planning and investment decisions at the most appropriate level
  - Enable councils to develop innovative new models for funding and delivery of infrastructure to raise investment at the local level.

### Reform of bus subsidy system

3. The Conservative manifesto included a commitment to develop better ways of working in partnership with the bus industry. The LGA's proposals on reform of bus subsidy would help deliver this commitment and ensure that the budget for bus subsidy could be cash-limited and determined by policy decisions spending priorities, rather than demand-driven and increasingly unaffordable. Our proposals would involve devolving existing subsidy through a single funding stream to local transport authorities with greater powers to commission bus services locally.

### Employment and Skills

4. Reducing unemployment and cutting the benefits bill will be significant priorities for the new government.
5. The LGA's policy stance has been that councils should be given a bigger role in tackling unemployment – commissioning employment support programmes so that they can be integrated with other public services, including skills, to provide

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personalised support to help people into work, especially those who have not worked for some time.

6. The new government is proposing a **new Work Programme**<sup>1</sup>. It will apply to all claimants regardless of the benefit they receive and be in part funded by private sector capital on the basis that outcome payments will be made for getting people into work (job outcomes). Local councils can play a key role commissioning the new programme and help bring a whole public service approach to tackling unemployment and manage some of the uncertainties including the payment levels for job outcomes – improving outcomes and making the new programme more attractive to investors.
7. The new Work Programme will be in part funded by bringing together multiple funding streams for employment support programmes, which will be ended – we will need to establish whether this includes the **Working Neighbourhoods Fund** worth £1.5 billion and paid through area based grant to councils. We have to demonstrate that this funding provides for essential local programmes that help people into employment.
8. The **Future Jobs Fund** was a lobbying success for the LGA – the previous government extended its life to March 2012. Seen as a short-term response to the recession to help young people, do we argue for its extension? We need to discuss with the new government, whether it is still relevant, given the commitment to both the Work Programme and expansion of other forms of training for young people, including the expansion of apprenticeships and higher education places.
9. There are more radical options that the LGA could propose that could release benefit savings, including administrative savings – for example, giving local government a commissioning role for employment support services provided by **Job Centre Plus**.
10. The coalition agreement does not cover either **adult or 16 to 19 learning and skills**. Our policy stance has been that there are too many skills quangos and that local councils (or groups of councils in sub-regions) can commission skills development more effectively, ensuring that the local training market works well, reduces unemployment and meets the needs of local economic development.
11. Our **Hidden Talents** project, in collaboration with the Centre for Social Justice, proposed a total place approach to engaging young people more effectively in work and learning. We will want to discuss this with the new Secretary of State.

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<sup>1</sup> Conservative Liberal Democrat coalition negotiations agreement reached 11 May 2010