

# Economy and Transport Board

Agenda

Thursday 28 November 2013  
11.00am

Smith Square Rooms 1 & 2, Ground Floor  
Local Government House  
Smith Square  
London  
SW1P 3HZ

**To:** Members of the Economy and Transport Board  
**cc:** Named officers for briefing purposes

[www.local.gov.uk](http://www.local.gov.uk)

This meeting is



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## **Economy and Transport Board**

28 November 2013

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The **Economy and Transport Board** meeting will be held on **Thursday 28 November 2013** at **11.00am** in **Smith Square Rooms 1 & 2**, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ.

**Please note that there will be a Lead Members' Pre-meeting at 9.15am in Meeting Room 6.**

Refreshments will be available upon arrival and lunch will be at 1.00pm.

### **Apologies**

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### **Political Group meetings**

Please refer to your Political Group office (see contact details below) for group meeting timings and venues.

<b>Labour:</b>	Aicha Less: 020 7664 3263 email: <a href="mailto:aicha.less@local.gov.uk">aicha.less@local.gov.uk</a>
<b>Conservative:</b>	Luke Taylor: 020 7664 3264 email: <a href="mailto:luke.taylor@local.gov.uk">luke.taylor@local.gov.uk</a>
<b>Liberal Democrat:</b>	Group Office: 020 7664 3235 email: <a href="mailto:libdem@local.gov.uk">libdem@local.gov.uk</a>
<b>Independent:</b>	Group Office: 020 7664 3224 email: <a href="mailto:independentgroup@local.gov.uk">independentgroup@local.gov.uk</a>

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### **Location**

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

### **Contact**

Virginia Ponton (Tel: 020 7664 3068, email: [virginia.ponton@local.gov.uk](mailto:virginia.ponton@local.gov.uk))

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## Economy & Transport Board – Membership 2013/2014

Councillor	Authority
<b>Conservative (7)</b>	
Tony Ball <b>[Vice Chair]</b>	Basildon BC
Philip Atkins	Staffordshire CC
Martin Tett	Buckinghamshire CC
Gillian Brown	Arun DC
Kevin Bentley	Essex CC
Ann Steward	Breckland DC
Lord Mike Whitby	Birmingham City
<b>Substitutes:</b>	
Ranil Jayawardena	Basingstoke & Deane BC
Jason Ablewhite	Huntingdonshire DC
David Westley	West Lancashire DC
Phillip Bicknell	Windsor & Maidenhead RB
<b>Labour (7)</b>	
Peter Box CBE <b>[Chair]</b>	Wakefield MDC
James Lewis	Leeds City
Chris Roberts	Greenwich LB
Barrie Grunewald	St Helens MBC
Joan Dixon	Derbyshire CC
David Wood	Tyne & Wear ITA
Tudor Evans	Plymouth City
<b>Substitutes:</b>	
Michael Mordey	Sunderland City
<b>Liberal Democrat (2)</b>	
Heather Kidd <b>[Deputy Chair]</b>	Shropshire Council
Roger Symonds	Bath and North East Somerset Council
<b>Substitute:</b>	
Ian Stewart	Cumbria CC
<b>Independent (2)</b>	
Mike Haines <b>[Deputy Chair]</b>	Teignbridge DC
Jason Kitcat	Brighton and Hove City Council
<b>Substitutes:</b>	
Adrian Naylor	Bradford MDC
Julian German	Cornwall Council
Robert Dutton	Wrexham County BC

# LGA Economy & Transport Board

## Attendance 2013-2014

<b>Councillors</b>	<b>19.09.13</b>					
<b>Conservative Group</b>						
Tony Ball	Yes					
Philip Atkins	No					
Martin Tett	No					
Gillian Brown	Yes					
Kevin Bentley	Yes					
Ann Steward	Yes					
Lord Mike Whitby	No					
<b>Labour Group</b>						
Peter Box CBE	Yes					
James Lewis	Yes					
Chris Roberts	No					
Barrie Grunewald	No					
Joan Dixon	No					
David Wood	Yes					
Tudor Evans	Yes					
<b>Lib Dem Group</b>						
Heather Kidd	Yes					
Roger Symonds	No					
<b>Independent</b>						
Mike Haines	Yes					
Jason Kitcat	Yes					
<b>Substitutes</b>						
Jason Ablewhite	Yes					
David Westley	Yes					
Michael Mordey	Yes					

## LGA Economy & Transport Board

### Board meeting dates - 2014

<b>DAY (2014)</b>	<b>DATE</b>	<b>TIME</b>	<b>ROOM at Local Government House</b>
Thursday	30 January 2014	11.00 – 13.00	Smith Square Rooms 1 & 2
Thursday	27 March 2014	11.00 – 13.00	Smith Square Rooms 1 & 2
Thursday	5 June 2014	11.00 – 13.00	Rathbone Rooms 1 & 2
Thursday	31 July 2014	11.00 – 13.00	Smith Square Rooms 1 & 2





## Agenda

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### Economy and Transport Board

28 November 2013

11.00am – 1.00pm

Smith Square Rooms 1 & 2, Ground Floor, Local Government House

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	Item	Page	Time
1.	Secretary of State for Transport, The Rt Hon Patrick McLoughlin MP	3	11.00am
2.	Notes of the previous meeting	5	12.00pm
3.	Chair's Report	11	12.05pm
4.	Local Economic Growth	15	12.15pm
5.	Employment and skills – moving the agenda forward	23	12.30pm
6.	Transport Update	29	12.45pm



**Item 1**

**Secretary of State for Transport, The Rt. Hon. Patrick McLoughlin MP**

**Purpose of report**

For discussion.

**Summary**

The Secretary of State for Transport, The Rt. Hon. Patrick McLoughlin MP, will be attending the Economy and Transport Board. The Chairman of the LGA, Sir Merrick Cockell, has been invited to join the discussion and, as requested by the Board, LEP Chairs have also been invited to give a private sector view. The meeting provides an opportunity for members to hear about the Government's future ambitions for devolution and the role of its agencies, including the Highway's Agency, as well as an opportunity for the LGA to share its ideas on rewiring public services and infrastructure investment to support growth, and achieving a sustainable solution to maintenance of the local roads network.

**Recommendation**

Members are asked to discuss.

**Action**

As directed by Members.

**Contact officer:** Ian Hughes  
**Position:** Head of Programmes  
**Phone no:** 020 7664 3101  
**E-mail:** [ian.hughes@local.gov.uk](mailto:ian.hughes@local.gov.uk)



**Item 2**

**Note of decisions taken and actions required**

**Title:** Economy and Transport Board  
**Date and time:** 11.00am, Thursday 19 September 2013  
**Venue:** Local Government House, London

**Attendance**

<b>Position</b>	<b>Councillor</b>	<b>Political Group</b>	<b>Council</b>
<b>Chairman</b>	Peter Box CBE	Labour	Wakefield MDC
<b>Vice Chair</b>	Tony Ball	Conservative	Basildon DC
<b>Deputy Chair</b>	Heather Kidd	Liberal Democrat	Shropshire Council
<b>Deputy Chair</b>	Mike Haines	Independent	Teignbridge DC

<b>Members</b>	Ann Steward	Conservative	Norfolk CC
	Gillian Brown	Conservative	Arun DC
	Kevin Bentley	Conservative	Essex CC
	Jason Ablewhite	Conservative	Huntingdonshire DC
	David Westley	Conservative	West Lancashire DC
	James Lewis	Labour	Leeds City
	David Wood	Labour	Tyne & Wear ITA
	Tudor Evans	Labour	Plymouth City
	Michael Mordey	Labour	Sunderland City
	Jason Kitcat	Independent	Brighton and Hove City

**Apologies**

Martin Tett	Conservative	Buckinghamshire CC
Philip Atkins	Conservative	Staffordshire
Lord Mike Whitby	Conservative	Birmingham City
Joan Dixon	Labour	Derbyshire CC
Chris Roberts	Labour	Greenwich LB
Barrie Grunewald	Labour	St Helens MBC
Roger Symonds	Liberal Democrat	Bath and North East Somerset

**In attendance:** Ian Hughes; Kamal Panchal; Piali Das Gupta; Jasbir Jhas; Charles Loft; Virginia Ponton (LGA); Martin McTague (FSB).

The Chair welcomed all and invited members to introduce themselves. He had written to all outgoing members of the Board to thank them for their work.

The Chair noted congratulations to Lord Mike Whitby on the announcement of his peerage.

### **1. Minutes of the previous meeting**

#### **Decision**

*The minutes of the previous meeting were agreed.*

### **2. Chair's Report**

The Chair presented the Chair's Report and urged new members to contact officers for any relevant documents.

Cllr Mike Haines updated the Board on the work of the High Street Forum.

### **3. Priorities for 2013/14**

Ian Hughes introduced the item which set out three themes for the Board's work in 2013-14: local growth, transport and skills.

The Chair said that Lead Members felt it was important to focus on skills for employment, especially adult skills, and economic development in its broadest sense.

Cllr Tony Ball added that there is a need to retain the youth skills work as well as consider EU Social Funding in the work programme.

Members discussed:

- The need to engage with business partners on the priorities such as LEPs, chambers of commerce and business leaders.
- The need for funding certainty from government along with real and sustained devolution.
- Concerns about the bureaucracy involved in accessing funding and that councils cannot resource this work with reduced staffing.
- Historic problems with formulas and baselines for council funding allocations.
- Successful cross-party delivery of local government systems and the need for greater devolution.

## Decisions

*The Chair agreed for a roundtable meeting with partners to be arranged and for business representatives to be invited to future Board meetings.*

*The Board agreed the paper.*

## Actions

- Roundtable meeting to be arranged.
- Detailed delivery plans to be developed by officers.

**Officers**  
**Officers**

## 4. Local Economic Growth

The Chair welcomed Martin McTague, Chair of the Local Government Policy Unit, Federation of Small Businesses (FSB), who introduced himself and the FSB.

Martin said that small businesses are important as owners tend to live near their businesses, as part of the community, investing in the community. A large proportion of unemployed people are taken on by small businesses or become self-employed, and small businesses therefore have a role to play in social cohesion. Small businesses create a diverse and resilient economy. The relationship between business and local government could be stronger, especially in the areas of procurement, business support and LEPs. He welcomed the LGA's *Rewiring Public Services* document. Clear leadership, cross-border working, a focus on skills, transport and access to funding are all key for business. Businesses engage best with clear and focussed objectives, and action-focussed groups.

Members welcomed closer working between local government the FSB as well as other partners. Members discussed:

- Best practice examples of local government working well with small businesses.
- That small businesses and local government have a lot in common and can work together to hold government to account.
- Incentives to get business using public transport.
- Linking business and local government surveys and documents to ensure added meaning for each other.
- The need for the FSB to engage with newer more digital business.

Martin said that working together is positive and powerful. There are real solutions available through devolution and small business can release some of the resources.

The Chair said that the priorities for local government and small businesses are similar and that there is a need to work more closely. He thanked Martin and invited him to join the roundtable meeting.

Members continued discussion on concerns about changes to the New Homes Bonus.

The Chair stressed the importance of individual authorities responding to consultations, while the LGA works for the sector as a whole.

The Chair thanked members for a good discussion.

### **Decisions**

*The Board agreed the priorities for work on local growth in the paper.*

*Martin McTague agreed to attend the proposed business summit and to share best practice case studies and share relevant surveys and documents with the Board.*

### **Actions**

- Martin McTague to share further information.

**Piali Das Gupta /  
Virginia Ponton**

## **5. Employment and Skills**

Ian Hughes introduced the paper which suggested that the work on skills and young people should be expanded to include support for unemployed adults.

Cllr Kevin Bentley updated members on his attendance on behalf of the Board at a meeting with the Deputy Prime Minister on skills, where he pressed the need for devolution and difficulties working with a centralised, fragmented system, which business, FE and young people do not understand.

Members discussed:

- Concern about how rural areas can engage with growth. Transport, matching skills and SME engagement are key for rural areas.
- The importance of adult skills and adult re-training for future demand.

### **Decision**

*The Board agreed the priorities for work on skills, with work to be developed to support adult skills.*

### **Action**

- Officers to develop a detailed work programme.

**Jasbir Jhas**

## **6. Transport update**

Kamal Panchal introduced the item.

The Chair highlighted that the Secretary of State for Transport would attend the Board meeting in November.

Members discussed:

- The importance of public transport for younger people and older people.
- The importance of the relationship with National Rail in shaping



economic development and transport strategy.

- A better/decent roads campaign to bring all partners together to work on proactive, planned and sustained maintenance for long-term benefits and savings.
- The need to look at transport issues as a 'place'.

#### **Decision**

*The Board agreed the priorities for work on transport and the development of a detailed proposal on roads policy.*

#### **Actions**

- Officers to draft a focused agenda for the November Board meeting with the minister and to include business representatives to attend.
- Officers to send details of the DfT working group for the youth select committee on transport.

**Kamal Panchal /  
Charles Loft**

### **7. Streetworks**

#### **Decision**

*The Board noted the report.*

### **8. Outside bodies**

Members nominated to the 2013/14 list of outside bodies to be finalised outside of the Board meeting.

#### **Action**

- Outside bodies appointments to be finalised and report sent to the LGA Executive.

**Virginia Ponton**

### **9. Economy and Transport Board at party conferences**

Members discussed the importance of pressing messages at conference.

#### **Decision**

*The Board noted the report.*



**Item 3**

**Chair's Report**

**Purpose of report**

For noting.

**Summary**

This report sets out Group Leaders' activity between the Board meetings. This report is presented to the LGA's Councillor's Forum as a record of Board activity.

**Recommendation**

Members are asked to note the report and comment as necessary.

**Action**

Officers to take actions as directed.

**Contact officer:** Ian Hughes  
**Position:** Head of Programmes  
**Phone no:** 020 7664 3101  
**E-mail:** [ian.hughes@local.gov.uk](mailto:ian.hughes@local.gov.uk)



## **Economy and Transport Board – report from Cllr Peter Box CBE**

1. As winter approaches, councils are already well prepared for bad weather. We recently published our winter weather survey which showed that councils are once again in a strong position to keep businesses and the public moving, and that the biggest barrier in being able to deliver more was funding. No doubt you will all be seeing me on the breakfast news as the winter weather hits us and the Board ensures that our messages about the preparedness of councils are heard. The Secretary of State for Transport will be attending our next Board meeting and I will be ensuring that he hears the message about the excellent work of councils to keep our roads safe.

### **City Deals**

2. I am pleased report that, last month, two more Wave 2 City Deals were signed, which means that 3 out of the 20 in negotiation have now been agreed. The Thames Valley Berkshire Deal enables the alignment of national and local investment in youth skills and employment, with objectives that include reducing youth unemployment by 50 per cent within 3 years. The Greater Ipswich Deal also has a strong focus on skills and employment, and involves the piloting of a Youth Job Centre. It is expected that one or two more City Deals will be signed before Christmas, with the rest concluded in the New Year.
3. Despite the success of individual city regions, it is disappointing that there is slow progress overall from Government on the Wave 2 City Deals. I am concerned about the unwillingness of spending departments to explore propositions that involve bolder devolution. This exposes the risks that the Growth Deals that the Government committed to negotiating with all LEP areas will get mired in Whitehall bureaucracy. This would suggest a potential role for the LGA in supporting councils involved in the Growth Deal negotiations to try to leverage their collective bargaining power. We propose to hold an event in the New Year that would enable the sharing of lessons from the Wave 1 and 2 City Deal negotiations and discussion of common issues, with a view to strengthening the hand of local partners as they enter Growth Deal negotiations.

### **Winter resilience**

4. On 11 November, the Board's Deputy Chair, Cllr Mike Haines, gave oral evidence to the Transport Select Committee enquiry on winter resilience. As well as questions on councils' preparedness for the coming winter months, the committee were also interested in how well councils were prepared for and had dealt with the recent St Jude's storm. Cllr Haines was able to provide evidence that preparing for extreme weather events was normal practice for councils. They provided vital services such as information to residents using all forms of media, coordinated actions through Local Resilience Fora, and mobilised staff and resources. Cllr Haines was also able to point to initial results from the LGA winter weather survey.

### **Highways Agency and Department for Transport**

5. During our Town Hall debates, there was one issue that united councils across parties and north and south. That was the difficulty in working with the Highways Agency at a local level and the consequent blockage to growth. We have brought the Highways

**Item 3**

Agency (HA) directors to the LGA to try to resolve this issue. Joined by three LEP Chairs, the Board Vice and Deputy Chairs Cllr Tony Ball and Cllr Mike Haines and Cllr James Lewis (Leeds City) and Cllr Ian Stewart (Cumbria CC) led a very successful discussion with the HA and Department for Transport with regards to how the HA can work better with councils and LEPs on supporting local growth. The strategic roads network, managed by the HA, has a massive impact on prosperity of local economies and growth prospects and councils have been frustrated by their inability to engage and influence HA activity and investment to support local growth. As a result of this discussion, the HA have agreed to have new strategic level conversations with sub-regions and local leaders to see how the HA can play a much more proactive role on growth. We are currently working with LEPs and the HA to convene the meetings.

**Streetworks Task Force**

6. We have been working with senior officials in the utilities firms to try and ensure that they manage streetworks more effectively and cut the costs to councils and business. I chaired the third LGA Streetworks Task Force on 4 November, with Board Vice and Deputy Chairs Cllr Tony Ball and Cllr Mike Haines. The Task Force brings together utility companies and local government – represented by Economy and Transport Board lead members. The meeting put the finishing touches to a joint statement of what good streetworks look like and a brief information document on streetworks for business, which will be launched shortly. The Task Force has also set up a research project looking at the drivers to good contractor performance which will report next year.

**Parking fines and fees**

7. The issue of parking charges has once again made national news with the Transport Committee releasing a report on local authority parking enforcement, Rt. Hon. Eric Pickles MP calling for free parking, and criticism from Which? on the amount of cars councils are towing. The report released by the Transport Committee called for a "five minute grace period" for parking tickets, and argued that councils should defend their position of not using parking fines as a "cash cow" by publishing annual parking charge accounts.
8. My response to this was reported on BBC Online, Mail Online and Radio 4 news bulletins. I was interviewed by BBC News on the subject, saying "As this report recognises, parking controls are not being used by councils to raise revenue. They are essential for keeping motorists and pedestrians safe, traffic flowing and ensure people can park near their homes and local shops."
9. We responded to the Which? claims that councils are "raking it in" by towing away thousands of cars for minor parking offences. Our response was included in the Sunday Times and said: "Councils follow the spirit of guidance as is demonstrated by the fact that only 1% of the total numbers of removals are appealed against successfully."
10. Rt. Hon. Eric Pickles MP also called on councils to offer free parking for up to 30 minutes near local high streets. In response, Vice Chair of the Board, Cllr Tony Ball, told the Telegraph: "Councils are working hard to boost trade and keep areas vibrant through parking incentives. This may work in some areas to ensure a high turnover of shoppers that would cause gridlock and chaos in others."

**Item 4**

## **Local Economic Growth**

### **Purpose of report**

For discussion and direction.

### **Summary**

This paper sets out proposals for delivering the Board's agreed priorities, in light of recent developments and announcements related to economic development, including:

- City Deals
- EU funds
- Welsh devolution
- Rewiring roundtables
- Autumn Statement

### **Recommendation**

The Board is asked to discuss and provide a steer.

### **Action**

Officers to take forward as directed by members.

**Contact officer:** Piali Das Gupta  
**Position:** Senior Adviser  
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**Item 4**

## **Local Economic Growth**

### **Background**

1. In September, Economy and Transport Board members agreed that future work on local economic development should advance twin objectives:
  - 1.1. First, to help councils maximise opportunities to secure the tools and levers they need to support local economic development within the current system, and;
  - 1.2. Second, to revive the debate about and refresh the case for ambitious devolution, particularly with a view to influencing 2015 election manifestos.
2. This paper sets out proposed activities for delivering these objectives, in light of recent policy developments, and invites members' views on the proposals.

### **Maximising opportunities in the current landscape**

#### City Deals and Growth Deals

3. Progress on the Wave 2 City Deals has started to pick up. Four of the 20 areas negotiating in the second wave have now reached agreement with the Government:
  - 3.1. The Preston-South Ribble-Lancashire City Deal has a significant focus on putting in place the strategic transport infrastructure needed to unlock development. The Deal involves the creation of an infrastructure investment fund, with the expectation that this will enable the fast-tracking of over 25 years of development into less than 10 years.
  - 3.2. The Thames Valley Berkshire City Deal has a significant focus on tackling youth skills and unemployment, aiming to reduce youth unemployment by 50 per cent over three years. The Deal will enable the investment of £2.4 million from the Youth Contract to support a new approach to providing a single, integrated point of access for employment and skills opportunities in the area.
  - 3.3. The Greater Ipswich City Deal also has a strong focus on supporting young people, with plans to introduce a new Youth Jobcentre as the delivery vehicle for the Youth Guarantee to help young people into education or work.
  - 3.4. The Southampton and Portsmouth Deal has a significant focus on maximising the impact of marine and maritime assets by unlocking critical employment and housing sites. The Deal will enable the assembly of public/private sector land and funding packages to support the provision of enabling infrastructure.
4. Cabinet Office officials have indicated that agreements on several more Wave 2 City Deals are expected to be announced in the coming weeks. As it is not expected that negotiations with all wave 2 areas will be concluded by January/February, there is likely to be a period of overlap with the Growth Deals negotiating process. We understand that

**Item 4**

an announcement should be shortly forthcoming on how Growth Deal negotiations will be managed, including the lead department, which appears to have been a contentious issue within Government.

5. It has been evident in the second wave of City Deals that the Government's commitment to making a core package of powers and levers available to all areas has fallen by the wayside. What Wave 2 areas have been allowed to even put on the table for discussion is considerably narrowed from the scope offered to Wave 1 Deals and it seems entirely likely that Growth Deals will be even more constrained. There is a real risk that the "bespoke negotiation" process will effectively give departments a greater opportunity to minimise what they put on offer.
6. The LGA could play a role in helping to strengthen local partners' hand in the Growth Deal negotiations. We propose to do this bringing member authorities together in the new year to enable them to learn from the experiences of authorities involved in the Wave 1 and 2 City Deals, discuss how to leverage influence within their Local Economic Partnerships (LEPs) and put collective pressure on the departments that have historically been most resistant to devolution.
7. Members' views on such an event, as well as reflections on other ways that the LGA can support councils and partners to make the most of Growth Deals, are invited. We recognise that there may be sensitivities about sharing intelligence in the midst of a competitive funding process, but there is scope to focus the LGA's activities on areas where there would be a strong advantage to a collective approach, i.e. reviving the core package offer.

EU funds

8. LGA lobbying secured the localisation of £5.3 billion EU Structural and Investment funds for 2014-2020 through LEP areas, but several aspects of programme management and delivery are yet to be developed. The national EU funding Programme Growth Board (PGB) has been set up to design and agree arrangements. The local government delegation comprises the LGA Chairman, Cllr Sir Merrick Cockell, Cllr Sir Albert Bore (Leader of Birmingham City Council) and Cllr Ian Stewart (Cumbria County Council and South Lakeland District Council).
9. The first PGB took place in September. At that meeting, local government members recommended that the Board should be strategic in nature and agreed that all major decisions affecting the funds' delivery and management are made by consensus and in partnership. To make sure decisions made by the Board are final, our members also called for Ministers to be present at future meetings. The Government agreed to this, and the PGB Terms of Reference and work programme were rewritten. Cllr Sir Merrick Cockell, wrote to both Michael Fallon and Baroness Hanham reiterating these decisions, suggesting the LGA draft a paper on key issues for local areas going forward.
10. The second PGB meeting took place on 6 November. Our members pressed for key issues to be resolved well in advance of the programme's live running, and that they are injected with a good dose of local decision-making. The issues were set out in an LGA paper tabled at the meeting. It was an important opportunity to convey these to the DCLG

**Item 4**

Minister, Baroness Stowell, who chaired the meeting, and is responsible for one of the key EU funds – European Regional Development Fund (ERDF).

11. Three main issues were raised. Firstly, EU agreements and national strategies must be flexible enough to enable local, multi-funded projects to flow. LEPs must be able to pursue local, priorities as long as they are not inconsistent with the national agenda and EU regulations. The rumoured merger of DWP and DCLG EU funding duties should be expedited to create one programme co-designed with local partners. Secondly, national opt-in programmes which offer LEPs match funding must show clear added value to local need, and be based on local negotiation. LEP areas opting in must be fully involved in commissioning so they know what they are buying. And lastly, all local areas are looking to achieve streamlined processes from strategy right through to operation. Simplification should be the key objective for any system set up to manage the future funding.
12. The Chairman will be taking forward discussions with Baroness Stowell, and will suggest a further meeting with and Baroness Stowell and Michael Fallon ahead of the third PGB in February 2014, to be attended by European Funding Commissioner, Johannes Hahn.

**Reviving the debate - Rewiring public services**

13. Alongside the work to support councils to maximise opportunities in the short-term, environment, we also have our eye on the long-term horizon. Members agreed that the LGA has a vital role to play in keeping the devolution debate alive and we propose to achieve this through two streams of activity:
  - 13.1. demonstrating that the current system is broken and holding back growth.
  - 13.2. making a business case for rewiring to deliver economic growth.
14. To demonstrate that the system is broken and provide the rationale for reform, we propose to deliver two pieces of work. The first will map the fragmentation of the current policy and funding landscape, supplemented by case studies to illustrate how this impedes the development of a range of different local economies. The second will analyse the costs of bidding to show the financial and opportunity costs for councils and businesses that result from having to jump through bureaucratic hoops for resources rather than focusing attention on action on the ground.
15. The second stream is linked to broader LGA work to detail the “local treasury” proposal set out in *Rewiring Public Services*. To that end, work is underway to model what a local treasury could look like and a presentation was made to the LGA Executive on 21 November. We propose to deliver a couple of pieces of analysis to demonstrate how “rewiring” could unlock growth. The first one would model what a place-based budget for growth could deliver, with a view to showing that greater value for money and leveraging of private investment could be achieved by pooling and localising funding for economic development at the level of a functional economic geography. The second will identify key fiscal levers that have been devolved to the subnational level in other countries, with the aim of provoking a debate about the competitive edge that other places may have when it comes to attracting investment and industry as a result of these freedoms.

**Item 4**

16. The LGA has been engaging the sector in the Rewiring campaign, including testing out early ideas about the design and operation of a local treasury. One of the ways we have done this is through running regional events. Events have so far been held in the South West on 12 November and for the South East on 13 November, focusing on financial sustainability and economic growth. There has been broad support for detailing the local treasury proposal, with an emphasis on getting away from the name itself and focusing on the principles that would underpin it and demonstrating what it could deliver. Other messages included that:

- 16.1. councils recognise the importance of investing in growth-generating services but this is increasingly difficult against a backdrop of ongoing funding cuts.
- 16.2. an honest debate is needed about LEPs' capacity, geography and democratic legitimacy, particularly with public funds increasingly at stake.
- 16.3. all areas and types of council need to have a seat at the table as economic development is needed in all parts of the country.
- 16.4. the growth agenda needs to be joined up with other agendas such as welfare reform and the Troubled Families initiative.

**Influencing 2015 election manifestos**

17. The Rewiring work is intended to be responsive to the “big picture”, with a particular view to influencing election manifestos. We are thus keeping an eye on two live national debates: devolution to Scotland and Wales and the future path of public spending. With respect to the first, the Government published its response to the Silk Commission on devolution to Wales on 18 November. It contained proposals to give the Welsh Government control over business rates, stamp duty and landfill tax. It has also opened the door to the creation of new taxes in Wales, subject to agreement with the UK government. This announcement provides another platform for our campaign for the same freedoms to be extended to English local government so that English people have as great a say over national and local priorities as people in Scotland, Wales and Northern Ireland.

18. Secondly, we are likely to learn more about the future path of public spending when the Chancellor of the Exchequer delivers the Autumn Statement on 5 December. At this stage of the parliamentary cycle, it is unlikely that any radical new policy or funding announcements will be made. Nevertheless, the LGA will be seeking to capitalise on the Autumn Statement to reinforce our core messages. Our pre-statement submission sent to the Treasury demands a period of financial stability to allow councils to plan for the largest, most sustained cuts to the funding for local services since the war and warns that any further cuts will impede councils' ability to help the economy move into full recovery.<sup>1</sup> We have also signaled that with other public budgets squeezed as well, public service reform is more vital than ever – hence our Rewiring campaign. As usual, the LGA will provide an on-the-day briefing. DCLG officials are not yet able to confirm the date of the

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<sup>1</sup> <http://www.local.gov.uk/documents/10180/11531/LGA+Autumn+Statement+submission/bf576500-baca-49c3-af41-ae2263241857>

**Item 4**

local government finance settlement, but, going on past form, it seems likely to be published the week commencing 16 December.

**Timescales**

- Mapping exercise to demonstrate the fragmentation of the current policy and funding landscape (end of January)
- Analysis of the costs of bidding for different funding pot (end of January)
- Conference to help councils prepare for involvement in Growth Deal negotiations (early February)
- Fiscal levers devolved to other countries (mid-March)
- Modelling of a place-based budget for growth (end of May)
- A business summit to securing endorsement of Rewiring proposals (late spring)



**Item 5**

**Employment and skills – moving the agenda forward**

**Purpose of report**

For discussion.

**Summary**

This item provides an update on recent and future priorities.

**Recommendation**

Members are asked to discuss.

**Action**

Officers to take forward as directed by members.

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**Item 5**

## **Employment and skills – moving the agenda forward**

### **Board priorities**

1. At the last Board meeting in September, Members agreed that the Board prioritise three areas of work on employment and skills:
  - 1.1. To continue to lead the Hidden Talents campaign calling for the devolution of delivery of **youth employment and skills programmes**, particularly influencing the current review championed by the Deputy Prime Minister.
  - 1.2. To develop a case advocating a local approach to address **adult unemployment** more effectively – this has been identified as a gap in our work and we need to match the impact of the work on Hidden Talents above.
  - 1.3. To maximise opportunities for local influence over **current national skills and employment policy**.

### **Update on Hidden Talents: local solutions to youth employment and skills**

2. Around 1 million 16 – 24 year olds are unemployed. Nearly half have been out of work for over 6 months, a quarter for over a year, and 1 in 10 (115,000) for over two years. Just over 1 million young people are not in any education, employment or training (NEET). The impact on young people is particularly acute in the UK. In 2012 the UK had the 4th worst ratio of youth unemployment to over 25 unemployment in the OECD; there are 3.5 unemployed young people for every 1 unemployed older worker. Only Luxembourg, Greece and Slovakia had higher ratios. Growth, alone, is unlikely to significantly reduce youth unemployment, which was rising well before the recession hit.
3. The Economy and Transport Board and the Children and Young People Board jointly lead the Hidden Talents campaign calling for devolved models to support young people's transition into the world of work.
4. The campaign has launched a number of pieces of research highlighting the failure in national schemes and services to effectively support young people, and demonstrate the value of local approaches in all areas. For example it has demonstrated a local approach could cut youth unemployment by 20 per cent in three years, saving £1.7 billion a year. The material is available at [www.local.gov.uk/hidden-talents](http://www.local.gov.uk/hidden-talents).
5. The Deputy Prime Minister launched a review into schemes for 16 – 24 year olds in the summer, in response to struggling national schemes and calls for reform, especially by the LGA. The review has still not reported to Ministers at the time of writing this report. There will be an oral briefing at the Board on any developments.
6. Alongside the review, the Deputy Prime Minister has announced £50 million of Youth Contract underspend to be given to some places to tackle youth unemployment in their areas. The Board has called for the devolution of this budget through the Hidden Talents

**Item 5**

campaign. However, it is likely that only 28 places involved in City Deal Wave 1 and 2 will receive funding to design local models to tackle youth unemployment.

7. While there is a welcome acknowledgement of the unique role that local authorities can play in driving positive outcomes, the LGA has made it clear that all areas must have the levers over the entirety of the 35 nationally funded services and schemes to support young people into work. In order to highlight this point, we propose to promote the work of local areas developing innovative new models to demonstrate the impact of local approaches for public service reform, for instance with Suffolk which is developing a Youth Guarantee delivered through a Youth Jobcentre Plus.
8. Looking ahead, it will be important that the Hidden Talents works continues and that there is a focus on parties and policy makers as manifestoes are drafted for 2015. Whilst there has been resistance in departments to some of our objectives, the Clegg Review and the announcements by the Shadow Department for Work and Pensions team have demonstrated the longer term impact of Hidden Talents. LGA work is being developed in the following areas and members may wish to comment on focus going into 2014:
  - 8.1. Evidence to demonstrate the effectiveness of more comprehensive devolution of funding and influence to local authorities and partnerships through the Local Growth Deal process, especially in local growth sectors.
  - 8.2. Making the case for wider public service reform for a single locally led transition service for all 16 – 24 year olds, including education, skills, employment and financial support - as part of a strategy to influence future spending decisions and party Manifestos.
  - 8.3. Research to show the advantages of local programmes for business engagement.

**Developing the case for greater local influence to support adults into employment**

9. At the last Board meeting, members identified a gap in LGA work. Whilst our lobbying on young people's employment had had much impact, we needed a focused piece of work on the local dimension to secure sustainable employment opportunities for adults, particularly focused on businesses' demand for skills as the parts of economy start to grow.
10. As a first step, the Centre for Economic and Social Inclusion (CESI), who carried out much of the research for the Hidden Talents campaign, has been commissioned to examine the following broad themes:
  - 10.1. If there is economic growth, which sectors and localities are likely to require new skilled labour and what could this mean for local economies and labour markets?
  - 10.2. What skills gaps are likely both locally and nationally?

**Item 5**

- 10.3. How could the current national employment and skills programmes support the future needs of employers and help adults return to employment? What needs to change in current public policy?
- 10.4. Based on the above, what should be the focus of any future programmes of devolution to support competitive labour markets?
11. This research is about to begin and members comments will influence the focus of this early work.
12. Members have been clear that this issue could be wide-ranging and a clear tangible focus is required. This research is intended to provide members with an overview and options on the most effective focus for future devolution in the areas of adult skills and employment. This work will be ready for the first Board meeting in 2014. Therefore, it is suggested that the January Board meeting is focused on this issue, with a presentation of initial findings from CESI. From that discussion, more detailed research can be developed to ensure we are offering tangible proposals to influence manifestoes.

**Lobbying to influence the current system**

13. Whilst the above work on youth and adult employment is aiming at the longer term, much work is being undertaken to ensure a local influence over the current system.
14. Back to work support - Councils have major concerns about the nationally designed and commissioned Work Programme. Principally, the concerns relate to the effectiveness of the programme, our lack of influence and reliance on council-run support services if national programmes are ineffective.
15. In September, the LGA lobbied DWP to influence the future design and delivery of back to work schemes as they are reviewed for the period after 2015. It was an opportunity to influence the new scheme, and the LGA has stressed that the national scheme must be reformed to address the concerns set out above. Our submission pointed to June 2013 figures<sup>1</sup> which found that all prime providers supported just 5.3% Employment Support Allowance (ESA) claimants against contracted levels of 16.5%. Payment models failed to anticipate costly, highly personalised support. Providers have been reluctant to invest in more expensive services, leading to 'creaming and parking' clients<sup>2</sup>; which was echoed by the Work and Pensions' Select Committee. The LGA recommended the following:
- 15.1. A local place based approach: Back to work schemes should be aligned with the collective social and economic actions of councils to provide a coherent offer to local residents, for instance via LEPs. Currently the Work Programme operates at a geography all of its own – operating at neither a local nor national level, with accountability to DWP rather than to local areas it serves. This

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<sup>1</sup> <https://www.gov.uk/government/organisations/department-for-work-pensions/series/work-programme-statistics--2>

<sup>2</sup> [http://www.instituteforgovernment.org.uk/sites/default/files/publications/Making\\_public\\_service\\_markets\\_work\\_final\\_0.pdf](http://www.instituteforgovernment.org.uk/sites/default/files/publications/Making_public_service_markets_work_final_0.pdf)

**Item 5**

makes local relationships hard to forge, and makes it difficult to connect Work Programme support with the local services unemployed people rely on.

- 15.2. Locally commissioned: Councils should design and commission locally designed specifications, select and approve providers using a mixed economy approach, scrutinise local performance, hold providers to account, and address under performance. The Work and Pensions Select Committee recommended that councils 'are given a more central role before or at the commissioning stage...to lay the foundations for more innovative partnerships'.<sup>3</sup>
- 15.3. Underspend to be commissioned locally: The £248 million Work Programme under-spend should be locally commissioned enabling a wider selection of provider to bid to support the long term unemployed.
16. The Board Chair, Cllr Peter Box, wrote to the then Employment Minister, Mark Hoban to highlight the LGA views and suggested convening a roundtable with local authorities to discuss options for a localised delivery model. The new Minister, Esther McVey responded that LGA views would be considered in the overall response. The LGA will be following up on this.
17. Our submission to the Autumn Statement provided the LGA with an opportunity to push for underspend, now packaged as the new £300 million *Help to Work* scheme, to be localised and/or for councils to be involved in co-commissioning provision. The LGA is following up discussions with DWP.
18. Last month, Cllr Sharon Taylor, LGA Deputy Chair, and Chair of the LGA Finance Panel, presented evidence to the Commons' Work and Pensions committee inquiry on Job Centre Plus' role in the reformed welfare system. Key points included:
  - 18.1. A local offer to solve the youth unemployment issue (see Hidden Talents).
  - 18.2. Localisation of future back to work support (paragraph 14).
  - 18.3. Job Centre Plus' role in employment support be reformed to be locally, rather than nationally, accountable and focused on sustained employment and career progression, rather than driven by national targets.

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<sup>3</sup> <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmworpen/162/162.pdf>

**Item 6**

## **Transport Update**

### **Purpose of report**

For discussion.

### **Summary**

This paper updates the Board on the future of the Highways Agency and Strategic Roads Network, winter resilience, streetworks and parking.

### **Recommendation**

Members are asked to discuss.

### **Action**

As directed by members.

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**Item 6**

## **Transport Update**

### **Highways Agency and Strategic Roads Network**

1. As agreed by the Board at previous meetings, the LGA held a roundtable discussion on 5 November bringing the Highways Agency (HA) and Department for Transport (DfT) to discuss local growth. Members were keen that the views of local business leaders were heard so they were also joined by three Local Enterprise Partnership (LEP) Chairs. This meeting followed a submission by the LGA to the Transport Select Committee's enquiry on the Strategic Roads Network which can be found [here](#)<sup>1</sup>.
2. Our Town Hall debates identified that councils were experiencing great difficulty in working with the Highways Agency at a local level and that this, consequently, was a blockage to growth. On behalf of the LGA, Cllr Tony Ball, Cllr Mike Haines, Cllr Ian Stewart and Cllr James Lewis led a very successful discussion with senior HA and DfT officials as well as the three LEP Chairs. The key outcome from the meeting was that the HA acknowledged that it needed to be able to converse and have genuine engagement with councils and LEPs about their growth plans, rather than only consulting them on their plans for the strategic roads network.
3. As a result of this discussion, the HA have agreed to have new strategic level conversations with sub-regions and local leaders to see how the HA can play a much more proactive role on growth. We are currently working with LEPs and the HA to convene the meetings.

### **Winter resilience**

4. On behalf of the LGA, Cllr Mike Haines provided oral evidence to the Transport Select Committee enquiry on winter resilience on 11th November. This followed a written submission to the Transport Select Committee, which can be found [here](#)<sup>2</sup>. Both DfT's survey and the emerging evidence from the LGA's own winter weather survey shows that councils are well placed to deal with the impact of severe winter. The final report of the LGA's winter weather survey is expected to be published by the end of November.

### **Streetworks**

5. The LGA has continued with the utilities companies to try and ensure that they manage streetworks more effectively and cut the costs to councils and business. Cllr Peter Box chaired the third Streetworks Task Force meeting on 4 November and was joined by Cllr Tony Ball and Cllr Mike Haines. The Task Force agreed to a launch event to promote the joint statement of what good streetworks look like, together with a brief information pack for businesses. The Task Force has also set up a research project looking at the drivers to good contractor performance which will report next year.

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<sup>1</sup> <http://www.local.gov.uk/documents/10180/5533246/LGA+submission+to+Transport+Ctte+-+Strategic+Road+Network+FINAL+APPROVED.pdf/6eaaa4fb-be9f-4a01-b744-90ceffb9b4f9>

<sup>2</sup> <http://data.parliament.uk/writtenevidence/WrittenEvidence.svc/EvidencePdf/2735>

**Item 6**

**Parking**

6. On 27 September, Cabinet Ministers, The Rt Hon Eric Pickles MP and The Rt Hon Patrick McLoughlin MP, announced that the Department for Communities and Local Government (DCLG) and the DfT will in due course publish details of further reforms, including:
  - 6.1. stopping CCTV being used for on-street parking enforcement.
  - 6.2. new open data on parking to allow the public to 'go compare'.
7. There will also be proposals for consultation on:
  - 7.1. updating parking enforcement guidance to support local shops.
  - 7.2. tackling wrongly-issued fines.
  - 7.3. stopping unacceptable parking fine collection practices.
  - 7.4. reviewing unnecessary yellow lines and the scope for residents' reviews.
  - 7.5. reviewing the grace period for parking offences.
  - 7.6. clamping down on anti-social driving and encouraging social responsibility.
  - 7.7. spreading best practice on supporting town centres and tackling illegal parking.
  - 7.8. analysis of the impact of different transport policies on town centre vitality.
8. In addition, the Transport Select Committee published its report on Local Authority Parking Enforcement following its enquiry which was launched in January 2013. There are 25 recommendations in the report, however members may wish to give particular attention to the following:
  - 8.1. There is a need for a better understanding of parking finance issues and we recommend that the LGA works with local authorities and ensures that they proactively and clearly explain these issues in their annual reports on parking.
  - 8.2. Annual reports be made mandatory so that information on parking is in the public domain for all local authorities.
  - 8.3. That the Government freeze the maximum penalty charge.
  - 8.4. A 25 per cent penalty charge discount should be introduced for motorists who pay within 7 days of losing their appeal to the parking tribunals.
  - 8.5. The Government introduce a statutory requirement for local authorities to take all reasonable steps to refund money received from invalid Penalty Charge Notices.



**Item 6**

9. Councils have raised some concerns about the impact of safety outside school premises if CCTV cameras were to be banned. However, no date has been set yet for consultation on the High Street parking proposals and LGA officers continue to liaise with DCLG and DfT officials for further information on this as well as the Government's response to the Transport Select Committee's report on parking enforcement.
10. The LGA will continue to press to Government that there are bigger issues which need tackling, such as supporting local growth and managing the local impact of the Government's predicted increase in traffic on local roads by 40 per cent by 2040, and that councils are best placed to deal with parking in order to deal with congestion and keep traffic moving.

# LGA location map

## Local Government Association

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Email: [info@local.gov.uk](mailto:info@local.gov.uk)

Website: [www.local.gov.uk](http://www.local.gov.uk)

## Bus routes – Millbank

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

For further information, visit the Transport for London website at [www.tfl.gov.uk](http://www.tfl.gov.uk)

## Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at Local Government House. Please telephone the LGA on 020 7664 3131.

## 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** (Circle and District Lines), **Westminster** (Circle, District and Jubilee Lines), and **Pimlico** (Victoria Line) - all about 10 minutes walk away.

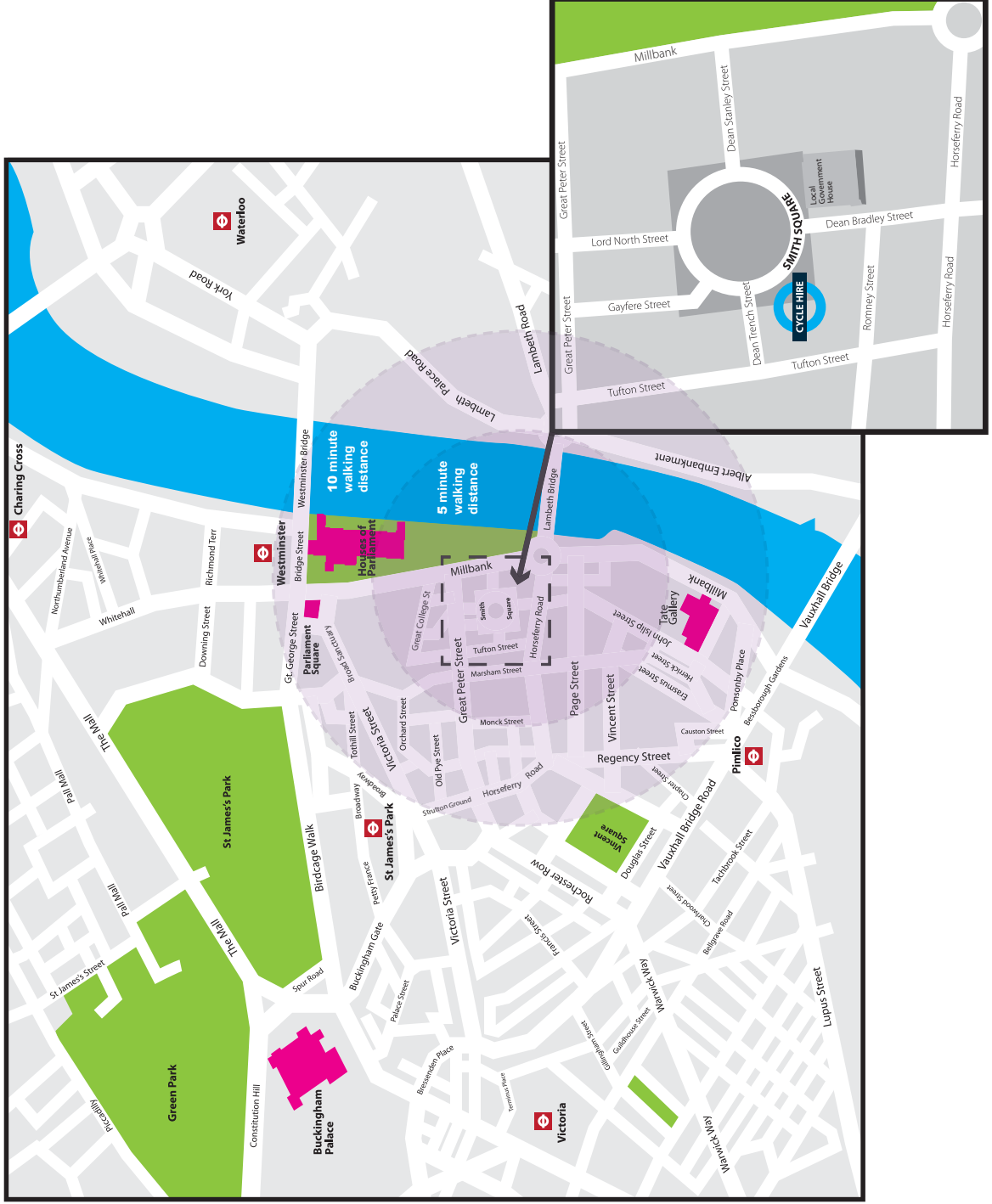
Buses 3 and 87 travel along Millbank, and the 507 between Victoria and Waterloo stops in Horseferry Road close to Dean Bradley Street.

## Bus routes – Horseferry Road

507 Waterloo - Victoria

C10 Canada Water - Pimlico - Victoria

88 Camden Town - Whitehall - Westminster - Pimlico - Clapham Common



## 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](http://www.cclondon.com)

## Car parks

Abingdon Street Car Park (off Great College Street)

Horseferry Road Car Park  
Horseferry Road/Arneway Street. Visit the website at [www.westminster.gov.uk/parking](http://www.westminster.gov.uk/parking)