

Supplementary Agenda

City Regions Board

Monday 19 June 2017

2.00 pm

Rooms A&B, Ground Floor, Layden House, 76-86 Turnmill Street, London, EC1M 5LG

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Date of Next Meeting: Friday, 6 October 2017, 2.00 pm, Location tbc

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Devolution in England

Purpose

For discussion and direction.

Summary

This paper provides members with an update on the support provided to combined authorities and the initial engagement with the new directly elected combined authority mayors. It also provides an overview of the new Government's relevant manifesto commitments and considers how these might influence the Board's work programme over the next year.

Recommendations

That the City Regions Board:

1. **Note** the support provided to combined authorities.
2. **Note** the engagement with combined authority mayors to date and the proposed mayoral support offer.
3. **Members are also asked to provide a steer on** LGA's devolution work programme for the coming year.

Action

Officers to take forward work in line with members' steer.

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Devolution in England

Overview

1. This report provides members with an update on the support provided to combined authorities, engagement with the new directly elected combined authority mayors and the developing support offer. It also provides an overview of the relevant manifesto commitments of the new Government and considers how these might influence members' steer on the LGA support offer over the next year.

Support to Combined Authorities (CAs) to date

2. Over the past year the LGA has continued to develop and deliver a bespoke offer of support for existing and prospective combined authorities. This support is set to continue in the coming year and will be financed via DCLG's funding to the LGA. The support will continue to include a mix of grant funding and in kind support; although greater emphasis this year will be placed on the latter. The deliverables and expectations aligned to this funding are set out in the recently agreed memorandum of understanding (MoU) between the LGA and DCLG, and are based on a continuation of our existing work programme.
3. The nature of the support provided varies in response to the needs of individual areas. However, key elements of the support provided to date include:
 - 3.1. **CA Chief Executive Network** - chaired by Martin Reeves, interim Chief Executive of the West Midlands CA, the network provides an opportunity for chief executives and chief officers to share learning and experiences, as well as space to discuss practical challenges and focus collectively on some of the key areas of policy development emerging within CAs and devolution deal areas.
 - 3.2. **CA self-evaluation diagnostic** – this tool was developed following a meeting of the Chief Executive Network which recognised that the sector needs a process through which it can reflect upon progress to date, consider areas for improvement and identify where external support would be helpful. The development of the diagnostic has been supported by DCLG and the tool will be rolled out across CAs over the next few months.
 - 3.3. **Bespoke support to CAs** – a range of financial and in-kind support has been provided to a number of existing and prospective CAs and discussions about continued/further support are ongoing in a number of places.
 - 3.4. **Support for mayoral candidates** – support programmes tailored to the need of mayoral candidates were delivered via the LGA's political group offices in the run up to the mayoral elections.
4. **Members are asked to note the support provided to combined authorities.**
5. **Targeted improvement offer for combined authority mayors**
 - 5.1 The LGA's devolution improvement offer builds on the comprehensive support offer already in place for councils and is open to all councils considering or negotiating

devolution deals, including counties.¹ We will of course be reviewing this offer as the new Government's devolution policy develops.

5.2 Building on early work to support devolution areas and based on recommendations from the LGA's CA working group, the Leadership Board was keen to ensure that the LGA establishes itself as the obvious 'home' for the new directly elected mayors and that a package of support be put in place for mayors both as individuals and as a collective. As Chairs of their Combined Authority, it was agreed Mayors would automatically be members of the LGA.

5.3 In the run up to the Mayoral elections, the LGA provided support to Mayoral candidates through programmes led by the political group offices. Feedback from candidates suggests this was successful and the LGA is now well positioned to work with the new mayors.

5.4 We have engaged with all of the new Mayors since the election. This has included:

5.4.1 Telephone calls to CA Mayors by Group Leaders during the weekend following the elections.

5.4.2 A letter sent from the Chairman to all CA mayors congratulating them on their election, welcoming them to the LGA, outlining our support offer and highlighting the programme of key mayoral events.

5.4.3 Telephone calls between the LGA chief executive and each combined authority chief executive to identify any further support needs.

5.4.4 Andrew Campbell, in his LGA consultancy role, met the West Midlands mayor Andy Street at the request of the WMCA and provided support for the preparation of a WMCA day one mayoral briefing.

6. From early feedback from CAs, the LGA has refocused our offer. This has included:

6.1 **Support to coordinate joint Mayors and CA work:** We already convene and support a network of Mayoral CAs. We have organised a seminar for Mayors (14-15 June) to be hosted in partnership with the Commonwealth Local Government Forum in London. The event will bring new mayors together for the first time. It will act as a taster for the type of support that the LGA can offer Mayors and a welcome to the wider LGA family. At LGA annual conference (4-6 July), Mayors have been invited to participate in our debates.

6.2 **Bespoke political support:** available through the LGA group offices.

6.3 **Leadership development:** the transition to a mayoral combined authority will require a new way of working for mayors, council leaders and frontline councillors. The LGA has discussed the possibility of leadership development support with a number of combined authorities, and hopes to be able to pilot this in the coming months.

¹ www.local.gov.uk/devolution-our-offer-support

- 7 Members are asked to note the engagement with elected mayors and emerging areas for further support.**
- 8 The new Government's position on devolution**
- 9 Theresa May has formed a minority government, based on the Conservative manifesto, with the expectation that it will be able to draw on the support of the Democratic Unionist Party (DUP) on a confidence and supply basis. There are a number of implications to this outcome relevant to this Board's work programme which are picked up below. These priority issues for the LGA are also being discussed at Leadership Board and Executive, together with tactical issues for engagement.
- 10 The LGA has consistently made the case for greater devolution to local government as the answer to the English Question and a way to achieve the "fairness and opportunity" for all communities set out in the Prime Minister's Number 10 Downing Street speech. Jointly with NILGA (including its leading DUP members) and other UK associations, we have set out the need for devolution beyond national administrations as a way to empower local communities and economies in a post-Brexit UK. Members might like to consider whether to strengthen this message, working with NILGA where appropriate.
- 11 The Conservative manifesto set out to "consolidate [their] approach" to devolution, developing a common framework and removing a requirement for mayors in non-city areas. The DUP manifesto does not touch on English devolution, but does call for city growth deals to be extended to Northern Ireland. It also sets out a strong case for recognition of local identity and a strengthening of Northern Ireland's constitutional position in the UK.
- 12 A rebalanced economy will remain a central theme to the new government and the industrial strategy will be one of the key vehicles for achieving this. We should continue to ask for: a recognition of the importance of greater local investment decisions and the value of both metropolitan and non-metropolitan areas to growth; a radical overhaul and devolution of the skills and employment system; and a clearer strategic role in relation to schools with adequate funding.
- 13 At this stage it is too early to say what impact the election result will have on the UK's Brexit negotiations. We must assume that the new government will proceed with the negotiations as planned and that we should expect a Great Repeal Bill to be announced in the Queen's speech. Our approach to date has been to forge an English local government consensus on the key priorities for the sector and to align our approach where possible with the other UK associations. We will continue to push for a replacement for EU funding and double devolution of repatriated laws where this is beneficial.
- 14 Members are asked to consider the priorities set out in this paper and provide comment and further guidance for the direction of the LGA's work in engaging with the new government.**

Future devolution support

- 15 The LGA's devolution support builds on the comprehensive support offer already in place for councils and is open to all councils considering or negotiating devolution deals.² While it is too early to have a detailed direction of travel on devolution from the new Government, the LGA will want to continue to reiterate its narrative to new ministers that devolution offers one of the best opportunities to ensure that local solutions to meet local needs can be developed.
- 16 Building on previous support and in light of the new Government's early position on devolution, members may wish to reflect on some of the issues where LGA support will be most needed by Mayors, Combined Authorities and other councils in the coming year. Working closely with the People and Places Board we could look refresh our devo support with councils. Board members are invited to comment particularly on those issues most relevant to metropolitan areas. The Leadership Board will also be discussing this offer.
- 17 For example:
- 17.1 **Support to Mayoral CAs over the next year:** Members from MCAs may have insights on where LGA support would be best placed.
- 17.2 **Support to rural and non-metropolitan areas:** This could include reviving a clear menu of the policies and delivery areas which are better delivered locally and which formed part of devolution proposals in Sept 2016.
- 17.3 **Addressing capacity challenges for CAs:** Devolution is bringing about new challenges for political leaders and senior officers in relation to local policy formulation; with many taking greater responsibility for policy development across a much wider geography and across different agencies and partnerships. We are considering with CAs how these challenges are addressed and what support the LGA can offer.
- 17.4 **Support for non-mayoral city CAs:** Clarity will be needed for those city authorities who have decided not to follow the Mayoral model.
- 17.5 **Broadening the devo asks from councils:** There are new policy boundaries which could form the core of a next wave of devo deals. This could include a debate on wider fiscal devolution (for example a local share of VAT or stamp duty), or to pursue wider public service reform more strongly in emerging and subsequent deals; aligning economic and social policy interventions more effectively.
- 18 **Members are asked to consider the LGA's devolution support offer in light of the election result.**

Financial implications

- 19 Proposals are deliverable within existing resources.

² www.local.gov.uk/devolution-our-offer-support

Implications for Wales

20 Welsh local government has its own devolution journey. Following the decision of the Welsh Government to end its policy of reducing the number of councils through local government restructuring, councils in Wales have been asked to develop proposals for shared services. We are working with the WLGA to support its work with councils through sharing the learning from English councils and new Combined Authorities.