

# People & Places Board

## Agenda

Thursday, 14 January 2016  
1.00 pm

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

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People & Places Board  
14 January 2016

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There will be a meeting of the People & Places Board at **1.00 pm on Thursday, 14 January 2016** Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ.

A sandwich lunch will be available at 12.45pm.

**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.

**Political Group meetings:**

Please contact your political group as outlined below for further details.

**Apologies:**

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<b>Conservative:</b>	Group Office: 020 7664 3223	email: <a href="mailto:lgaconservatives@local.gov.uk">lgaconservatives@local.gov.uk</a>
<b>Labour:</b>	Group Office: 020 7664 3334	email: <a href="mailto:Labour.GroupLGA@local.gov.uk">Labour.GroupLGA@local.gov.uk</a>
<b>Independent:</b>	Group Office: 020 7664 3224	email: <a href="mailto:independent.group@local.gov.uk">independent.group@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>

**Location:**

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

**LGA Contact:**

Frances Marshall on [Frances.Marshall@local.gov.uk](mailto:Frances.Marshall@local.gov.uk) / 0207 664 3220

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The twitter hashtag for this meeting is #lgapp

## People & Places Board – Membership 2015/2016

Councillor	Authority
<b>Conservative ( 12)</b>	
Cllr Mark Hawthorne MBE (Chairman)	Gloucestershire County Council
Cllr Gillian Brown (Vice Chairman)	Arun District Council
Cllr Philip Atkins	Staffordshire County Council
Cllr Andrew Bowles	Swale Borough Council
Cllr Paul Carter CBE	Kent County Council
Cllr Paul Diviani	East Devon District Council
Cllr Kenneth Meeson	Solihull Metropolitan Borough Council
Cllr Derek Bastiman	Scarborough Borough Council
Cllr Roger Blaney	Newark & Sherwood District Council
Cllr Chris Hayward	Hertfordshire County Council
Cllr Mike Jones	Cheshire West and Chester Council
Cllr John Osman	Somerset County Council
<b>Labour ( 4)</b>	
Cllr Alan Rhodes (Vice Chairman)	Nottinghamshire County Council
Cllr Vince Maple	Medway Council
Cllr Jennifer Mein	Lancashire County Council
Cllr Caitlin Bisknell	Derbyshire County Council
<b>Substitutes</b>	
Cllr Leigh Redman	Somerset County Council
Cllr Frank Radcliffe	North Hertfordshire District Council
<b>Independent ( 4)</b>	
Cllr John Pollard (Deputy Chair)	Cornwall Council
Cllr Amanda Martin	Council of the Isles of Scilly
Cllr Clive Woodbridge	Epsom and Ewell Borough Council
Cllr Chris Townsend	Mole Valley District Council
<b>Substitutes</b>	
Cllr Helen Grant	North Yorkshire County Council
<b>Liberal Democrat ( 3)</b>	
Cllr Heather Kidd (Deputy Chair)	Shropshire Council
Cllr Sarah Osborne	Lewes District Council
Cllr Stan Collins	South Lakeland District Council

## People & Places Board – Attendance 2015/2016

Councillors	19/10/15			
<b>Conservative Group</b>				
Mark Hawthorne MBE	Yes			
Gillian Brown	Yes			
Philip Atkins	Yes			
Andrew Bowles	No			
Paul Carter CBE	Yes			
Paul Diviani	Yes			
Ken Meeson	Yes			
Derek Bastiman	Yes			
Roger Blaney	Yes			
Chris Hayward	Yes			
Mike Jones	Yes			
John Osman	Yes			
<b>Labour Group</b>				
Alan Rhodes	Yes			
Vince Maple	Yes			
Jenny Mein	Yes			
Caitlin Bisknell	Yes			
<b>Independent</b>				
John Pollard	Yes			
Amanda Martin	Yes			
Chris Townsend	Yes			
Clive Woodbridge	Yes			
<b>Lib Dem Group</b>				
Heather Kidd	Yes			
Stan Collins	Yes			
Sarah Osborne	Yes			
<b>Substitutes/Observers</b>				
Leigh Redman	Yes			
Frank Radcliffe	Yes			



## Agenda

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### People & Places Board

Thursday 14 January 2016

1.00 pm

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

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1. Welcome and declarations of interest	
2. Minutes of the last meeting on 19 October 2015	1 - 6
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4. The Spending Review, Business Rates Retention and the Provisional Local Government Finance Settlement 2016/17 and Future Years	23 - 28
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**Date of Next Meeting:** Monday, 14 March 2016, 1.00 pm, Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ





## Note of last People & Places Board meeting

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<b>Title:</b>	People & Places Board
<b>Date:</b>	Monday 19 October 2015
<b>Venue:</b>	Westminster Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ

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### Attendance

An attendance list is attached as [Appendix A](#) to this note.

Item	Decisions and actions	Action
<b>1</b>	<p><b>Welcomes and Declarations of Interest</b></p> <p>The Chair welcomed Members to the meeting. Apologies for absence were received from Cllr Andrew Bowles.</p> <p>Cllr Mike Jones declared that he was currently working as a consultant for a company involved in the broadband sector, and therefore would not vote on the Broadband and Digital Divide item.</p>	
<b>2</b>	<p><b>Membership and Terms of Reference for 2015-16</b></p> <p>The updated Membership and Terms of Reference were presented to the Board for information.</p> <p>It was suggested that the Terms of Reference should make broader reference to the Board's metropolitan borough in membership, as well as its non-metropolitan members.</p> <p><b>Decision</b> Members noted the Membership and Terms of Reference of the Board.</p> <p><b>Action</b> Terms of Reference to be amended to broadly reference the metropolitan borough member.</p>	
<b>3</b>	<p><b>People and Places Board Work Programme 2015/16</b></p> <p>Rebecca Cox, Principal Policy Adviser, introduced the report which set out proposals on the Board's work priorities for the coming year. It also provided more detail on the commission from the Leadership Board on the corporate priorities for the year, including Devolution and the Future Shape of Local Government. It was highlighted that work on rural transport would be undertaken later in the year in conjunction with the EEHT Board, which would build on the LGA's recent 'Missing the Bus' publication.</p>	

Board members raised the following points in the discussion that followed to inform the Work Programme:

- It was important for the Board to continue to liaise with other LGA Boards, including with the EEHT Board's Housing Commission,, to feed in a non-metropolitan viewpoint where necessary on various policy themes.
- The need to see a clearer reflection of public sector reform as a Board priority in the work programme, as it is the overarching aim of devolution.
- LGA officers should look to liaise with the County Councils' Network and their work on governance in a two tier setting.
- Members were keen to work with officers to inform and guide the LGA's support offer in relation to helping areas implement devolution deals, post spending review.
- Members highlighted the importance of working closely with the City Regions Board to progress issues such as devolution at a strategic level.

### **Decision**

The Board **noted** the report and **agreed** that officers should amend the work programme based on their discussion.

## **4 English Devolution**

Rebecca Cox introduced the report which set out how the LGA Executive and Leadership Board had asked the People and Places Board to lead the LGA's work on devolution and the future shape of local government. This paper provided an update on developments including the 4 September devolution submissions; the Cities and Local Government Devolution Bill; and the LGA support offer.

Board members raised the following points in the discussion that followed:

- There was a wide ranging discussion on the potential tension between building on the commonality between areas' devolution bids, whilst also stressing that there will be no 'one size fits all' solution.
- In re-designing services attention will need to be paid to the fact that geographical areas are unlikely to perfectly align with functional economic geographies and service delivery and market areas.

- The Board's work on devolution should encompass how to build an engaging narrative on devolution to better engage all councillors and share knowledge. Members discussed the business rates localisation announcement in relation to the emerging direction of travel for the devolution agenda.

**Decision**

The Board **noted** the report and instructed officers to amend the work programme as necessary in partnership with the Chair and Lead Members.

**5 Broadband and the Digital Divide**

Daniel Shamplin-Hall, Policy Adviser, introduced the report which set out proposals for the Board's work programme on broadband and the digital divide over 2015/16.

In the discussion that followed Board members raised the following points:

- Concerns were raised about whether the timescales provided by Government for Phases 1 and 2 of the Superfast Broadband Programme would be delivered on time.
- The importance of the social and economic impact of broadband on regions was raised, especially in the context of Britain's position in the wider world.
- There were concerns that the Connection Voucher broadband scheme had not been focussed on rural communities.
- The Board discussed the idea of creating a 'speed app' which would allow councillors to log the speed of their broadband up and down the country with the possibility of informing a wider media campaign early next year.
- The work programme should look to explore how the BT Clawback can best be used to widen the provision of superfast broadband to the final 5%. Members also asked officers to explore the possibility of lobbying to secure superfast broadband and mobile / 5G+ infrastructure as a compulsory planning consideration.

**Decision**

The Board **noted** the report and instructed officers to proceed in line with what was discussed.

**6 Skills and Employment: An Update**

Jasbir Jhas, Senior Adviser, introduced the paper which sought members' views on LGA current and future potential employment and skills activities. Members made the following points:

- The LGA proposed employment programme for adults with multiple needs should incorporate many of the components of the successful Troubled Families programme. Unemployed people with mental health and learning difficulties should also be eligible for the programme.
- Commenting on the draft Statement of Intent, members highlighted that functional economic areas were not discrete areas confined to one council.
- Members discussed the possibility of combining job centres with town halls.
- There were concerns that Government moves to give Further Education providers a unified adult skills unit through a block grant which will include adult and community learning could result in local authority adult education provision being reduced.
- Compulsory learning for young people up to the age of 18 together with reductions in the Bursary Fund, designed to provide financial support for young people, are causing financial pressures on rural councils which are having to meet the shortfall. This needs to be taken up with Government officials.

### Decisions

The Board **noted** the report and instructed officers to proceed in line with what was discussed.

## 7 Minutes of the last meeting

The minutes of the meeting held on 18 June 2015 were **agreed**.

### Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Mark Hawthorne MBE	Gloucestershire County Council
Vice-Chairman	Cllr Gillian Brown	Arun District Council
	Cllr Alan Rhodes	Nottinghamshire County Council
Deputy-chairman	Cllr Heather Kidd	Shropshire Council
	Cllr John Pollard	Cornwall Council
Members	Cllr Sarah Osborne	Lewes District Council
	Cllr Vince Maple	Medway Council
	Cllr Jennifer Mein	Lancashire County Council
	Cllr Philip Atkins	Staffordshire County Council
	Cllr Paul Carter CBE	Kent County Council
	Cllr Paul Diviani	East Devon District Council
	Cllr Kenneth Meeson	Solihull Metropolitan Borough Council
	Cllr Stan Collins	South Lakeland District Council
	Cllr Derek Bastiman	Scarborough Borough Council



**People and Places Board**

14 January 2016

Cllr Roger Blaney  
Cllr Chris Hayward  
Cllr Mike Jones  
Cllr John Osman  
Cllr Caitlin Bisknell  
Cllr Amanda Martin  
Cllr Clive Woodbridge  
Cllr Chris Townsend

Newark & Sherwood District Council  
Hertfordshire County Council  
Cheshire West and Chester Council  
Somerset County Council  
Derbyshire County Council  
Council of the Isles of Scilly  
Epsom and Ewell Borough Council  
Mole Valley District Council

Apologies

Cllr Andrew Bowles

Swale Borough Council





## Superfast Broadband and the Digital Divide

### Purpose

For discussion and direction.

### Summary

This paper:

- provides a brief national policy update;
- outlines the emerging results of the member-commissioned survey of councils that are part of the Superfast Broadband Programme and Mobile Infrastructure Project;
- summarises the latest broadband and mobile connectivity coverage data; and
- discusses possible Board activity in response to these findings.

Chris Townsend, Chief Executive, and Andrew Field, Head of Operations at Broadband Delivery UK, will be presenting to the Board on the Superfast Broadband Programme and discussing the Government's plans for reaching the 'final five per cent' referred to as Phase 3.

### Recommendations

That the People and Places Board:

1. to note the emerging results of the survey and the latest coverage data;
2. steer officers on the suitability of the next steps in response to the survey findings, suggested in **paragraphs 29 to 34**
3. discuss the current Superfast Broadband Programme and efforts to extend superfast broadband provision, with the two guest speakers.

### Action

Officers to take forward as directed by members.

**Contact officer:** Daniel Shamplin-Hall  
**Position:** Adviser  
**Phone no:** 020 7664 3314  
**Email:** [daniel.shamplin-hall@local.gov.uk](mailto:daniel.shamplin-hall@local.gov.uk)

## **Superfast Broadband and the Digital Divide**

### **Background**

1. At the last Board, members highlighted the lack of digital connectivity faced by many of their residents and local businesses. They fed back to officers their experiences of the two major publicly funded programmes charged with improving connectivity: the Superfast Broadband Programme and the Mobile Infrastructure Project, and highlighted cases where both programmes had been ineffective at extending mobile and/or superfast broadband coverage.
2. In order to more widely assess each programme's performance to date, reflect back to Government any lessons learnt from the sector, and shape Board activity in this area going forward, the Board commissioned officers to undertake a nationwide survey of councils involved in both programmes and provide a summary of published superfast broadband and mobile coverage data.

### **National Policy Update**

3. When considering the emerging results of the survey, members will want to bear in mind the Government's announcement in November that it intends to establish a Universal Service Obligation (USO) to provide residents with the legal right to request a broadband connection with speeds of 10Mbit/s by 2020. At present it is unclear who will be obligated to deliver the USO, how it will be delivered or who will fund what is going to be an expensive programme. More details are expected to be announced when the Government consults on the proposal in early 2016. Officers will consult with members and respond to the consultation when it is launched.
4. The Government is also currently negotiating a new EU State Aid exemption with the European Commission after the original exemption expired in June 2015. Negotiations are taking longer than expected and, until they are completed, any new procurement councils want to undertake which was not signed off before the last exemption expired cannot currently receive public subsidy. This means that any projects looking to use new public funds to extend provision to those residents without superfast connectivity, cannot commence.
5. The Mobile Infrastructure Project is set to complete in March 2016. Government officials have made clear to LGA officers there are no plans for a second phase of the project. At present, Government policy is focussed instead on extending mobile connectivity via a new legally binding agreement it secured with mobile operators to invest £5 billion to improve mobile infrastructure by 2017; and to guarantee voice and text coverage from each operator across 90% of the UK geographic area by 2017. On top of this, the Mobile Network Operator (MNO) O2 also has a legal coverage obligation to roll out 4G to cover at least 98% of the UK population by 2017, which other MNOs have indicated they will match.
6. The Government also plan to give increased permitted development rights for MNOs to erect masts without the need of planning permission. MNOs already enjoy some permitted development rights, but these expanded rights would enable them to install even taller phone masts without the need for planning permission. LGA analysis has shown that the planning system is not a barrier to developments. In fact, councils continue to approve



almost nine in every 10 planning applications. Planning controls are key to giving residents the power over developments that impact on their quality of life and the planning system encourages developers including MNOs to more effectively engage local communities.

7. Government is also consulting on its new 5-year Digital Strategy for the UK, which it will set out early next year. The Strategy will focus on: 'Unlocking digital growth' through the completion of the EU Digital Single Market; 'Transforming Government' by digitalising Government services further; 'Transforming day to day life' by encouraging innovation in the education and health sectors; and 'Building the foundations' by meeting the targets for the rollout of superfast broadband, implementing a USO, and ensuring that digital skills are at the heart of the educational system. LGA officers will take a steer from the Chairs of both the People and Places Board and the Improvement and Innovation Board to draft the LGA's response.

### **Emerging survey results**

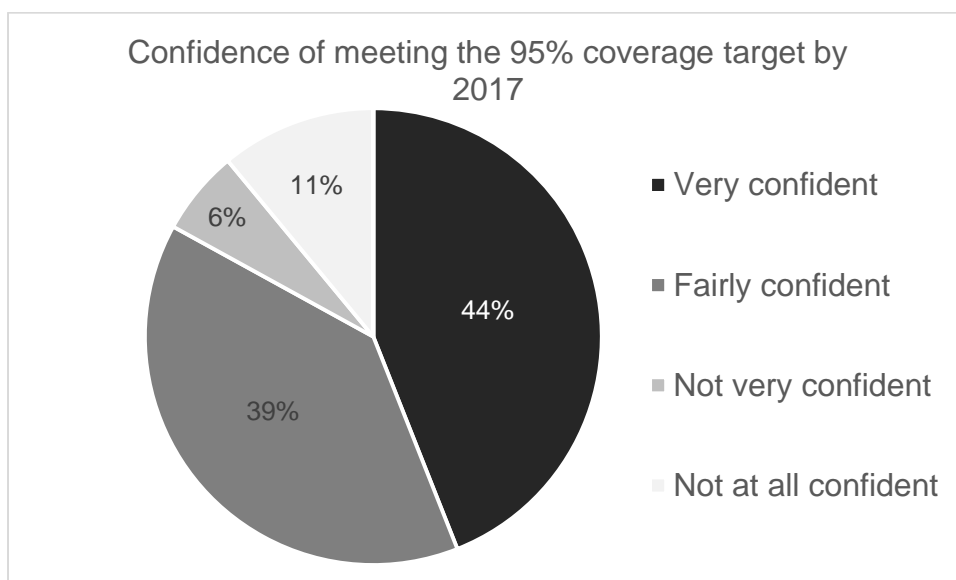
8. At the beginning of December, the LGA's Research Team conducted an online survey of all councils involved in the publicly funded Superfast Broadband Programme and Mobile Infrastructure project. The survey was sent to senior broadband programme officers and was disseminated via the Association of Directors of Environment and Transport. At the time of writing, almost 60 per cent of those areas that took part in the Mobile Infrastructure Project and 40 per cent of those that took part in the Superfast Broadband programme had responded. In order to provide as complete an account as possible, the survey was extended for a further two weeks leading up to the Board. Officers will update members if the emerging findings change significantly.
9. A summary of key findings is as follows:
  - 9.1. **The Superfast Broadband Programme is on target to achieve its objectives. However, take up of superfast broadband where it is available is still low in many areas.**
  - 9.2. **Councils are broadly satisfied with delivery partner performance, but some have shared concerns about the use of public funding to build in commercially viable areas.**
  - 9.3. **The majority of councils are considering new procurement approaches and different suppliers in efforts to extend provision to the final five percent, as part of the Phase 3 roll out.**
  - 9.4. **The Mobile Infrastructure Project has failed in many areas and councils are instead looking to build their own relationship with mobile network operators to tackle the lack of mobile connectivity.**

**Superfast Broadband**

*Superfast Broadband Programme Objectives*

10. Amongst those councils surveyed so far, the Superfast Broadband Programme is set to hit its targets of achieving superfast broadband coverage across an average of 90 per cent of households by 2016 with respondents already achieving an average coverage of 91 per cent under Phase 1. Over 80 per cent of respondents were also ‘Fairly Confident or ‘Very Confident’ of the programme reaching 95 per cent of households by 2017,’ as shown in Figure 1.

Figure 1



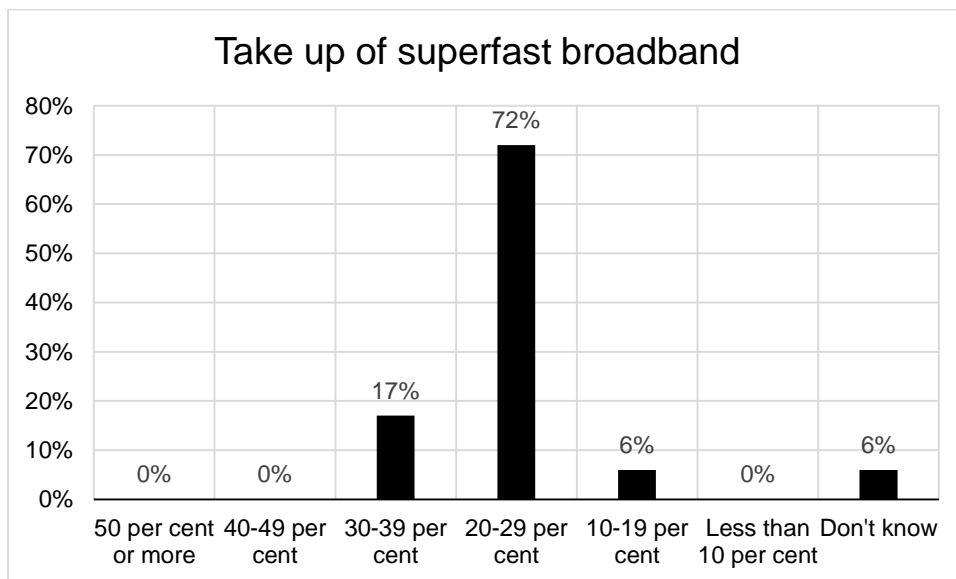
*Delivery partners’ performance*

11. Areas were mainly satisfied with the conduct of their delivery partners with 67 per cent regarding them as ‘Very Transparent’ or ‘Fairly Transparent’ when sharing data and 66 per cent and either ‘Tending to Agree’ or ‘Strongly Agreeing’ that they had a strong and influential say where public funding secured by the clawback mechanism could be re-deployed. Of potential concern however is that 44 per cent of respondents stated that there had been occurrences in their area of the “delivery partner using public subsidy to fund infrastructure (in whole or in part) to serve premises that could already access superfast broadband from other commercial providers.” Whilst there are inevitable complications and mistakes made on the ground, including changing or inaccurately mapped commercial roll out plans, this reveals delivery partners appearing to use public money to compete with the commercial market.

*Take-up of superfast broadband*

12. Whilst it is widely accepted that take-up of superfast broadband so far has been significantly faster than forecast by BT in the phase 1 contracts,<sup>1</sup> in relative terms, take up in those premises with availability still remains low. Although 91 per cent of council respondents had passed the 20 per cent take up mark in their areas, triggering the clawback mechanism in their Phase One contracts, very few have a take up higher than 30 per cent, as shown in Figure 2. 50 per cent of respondents believe low take up is due to residents perceiving no need for faster speeds whilst 39 per cent of respondents believe a lack of awareness of availability amongst residents is a major cause. This shows that there is wider need for a programme of demand stimulation. The public sector has much to benefit from marked increases in take up. For every 10 per cent increase in take up nationally, delivery partners are obligated to repay £129 million of the original public investment. Whilst take up levels should continue to rise over time, there is a time limit to the clawback function which can only be triggered within the duration of the seven year contract.

Figure 2



*Reaching the final five per cent and market competitiveness*

13. Of those councils looking to extend superfast broadband provision to parts of their areas not covered by the current schemes, 44 per cent reported they plan to use alternative solutions through new procurements outside their original delivery partners. Councils may be looking for other providers to provide bespoke local solutions at better value for money. Owing to the smaller scale of such providers, this will require councils to procure in smaller pockets across their areas - a marked difference from the area-wide National Procurement Framework process. The competitive nature of the infrastructure market however is still of concern to councils with 83 per cent of respondents either 'Tending to Agree' or 'Strongly Agreeing' that "Government and Ofcom intervention is required in the digital infrastructure market to ensure competitiveness

<sup>1</sup> The National Audit Office - The Superfast (Rural) Broadband Programme: update, January 2015

*Universal Service Obligation*

14. Overall, councils responded positively to the Government's announcement of a Universal Service Obligation. Many however shared initial concerns that a fixed USO speed of 10Mbit/s will quickly become outdated with the increasing requirements of technology and the needs of businesses and households, especially in light of the European Commission's target of above 30Mbps coverage across the entire EU by 2020.

14.1. *"This is certainly a positive step, but is some way from being implemented legally. The marketplace has to demonstrate that it can absorb the costs associated with a legal requirement...Equally, speeds are rapidly becoming obsolete and 10Mbit/s might not be sufficient for basic services in the not-too-distant- future.*  
Survey Respondent

**Mobile Infrastructure Project**

*Delivery partner's performance*

15. The survey of those councils that took part in the Mobile Infrastructure Project has found that councils were dissatisfied with the programme. This is not surprising as Government officials recently confirmed less than 3 per cent of the 600 planned masts have been built so far, with only another 60 potential sites currently being progressed. Indeed, at the end of November 2015, spend on the Mobile Infrastructure Project was £9.1 million from the £150 million set aside over three years. LGA officers pressed Government to reinvest any underspend in future mobile connectivity projects, but were informed all funding will be returned to central Government. LGA Officers will continue to push Government to reallocate any underspend to new projects related to tackling poor mobile connectivity.
16. The failure of two key components of the programme, along with unrealistic timescales appear to have been the root of the cause. Delivery partners' engagement with local planning bodies was poor, with 70 per cent of council respondents believing that their relationship with delivery partners was either 'Not Very Effective' or 'Not at all Effective.'
17. Failure of the delivery partners to properly engage with local residents on the placement of masts was also a key failure with 60 per cent of council respondents believing efforts were either 'Not Very Effective' or 'Not at all Effective.'
18. There will clearly be some key learning points for the industry arising from the MIP, especially in terms of improving engagement with planning authorities and local communities. It will be imperative that this is collated and disseminated by Government for use in future roll out programmes. LGA officers will press civil servants to share any lessons once the project formally completes in March 2016.

*Councils' engagement with mobile network operators*

19. In the absence the Mobile Infrastructure Project delivering on local plans, councils have made efforts to develop and maintain their own relationships with commercial suppliers. Many are doing so to try to gain an understanding of when and where commercial suppliers will roll out faster mobile connectivity to help them more effectively plan which areas will be most in need of fixed broadband infrastructure. 50 per cent of those surveyed have relationships with mobile network operators locally. Of the 40 per cent that did not, 75 per cent were keen to develop them locally.

19.1. *“Were local authorities provided with the data and contacts with the MNOs we could attempt to keep the [Mobile Infrastructure Project] scheme running or at least design future broadband interventions with the provision of backhaul to suitable mast sites in mind.”*

Survey Respondent

**Superfast Broadband and mobile connectivity coverage data**

*Broadband*

20. The most comprehensive analysis of superfast broadband and mobile coverage is carried out by Ofcom each year in its ‘Connected Nations Report.’ This brings together data from all the major suppliers of superfast broadband and mobile services. The data is collected in July, so is only a snapshot of coverage six months previously.

21. In total it reports 84 per cent of premises across England are now able to receive superfast broadband, which it defines as 30Mbit/s or over.<sup>2</sup> ThinkBroadband<sup>3</sup>, an independent broadband analyst which estimates coverage via thousands of speed test conducted on its website currently estimates the 24Mbit/s superfast coverage figure across England as 89.6 per cent. This backs up with Broadband UK officials reports that the Superfast Broadband Programme will reach the 90 per cent coverage across the country by May 2016.

22. Unsurprisingly, coverage in rural areas still lags behind the national average. In rural England, only 36 per cent of premises have access to superfast broadband, although this has risen from 23 per cent in 2014.

	2014	2015	Diff
Across England	77 per cent	84 per cent	+7 per cent
Rural Areas	23 per cent	36 per cent	+13 per cent

*Source: Ofcom Connected Nations Report*

23. For some residents in rural areas, despite having their local infrastructure upgraded to superfast speeds, for technical reasons (mainly their distance from the exchange) their lines cannot receive superfast speeds. Around 2 million (or 7 per cent of) UK premises are connected to upgraded networks but cannot currently receive download speeds of 30Mbit/s; on average, their download speeds are around 18Mbit/s.

24. In light of the Government’s new Universal Service Obligation, 47 per cent of rural premises in England are unable to receive the Government’s target of a minimum 10Mbit/s speeds, with the figure rising in some local authority areas to 53 per cent. Ofcom has provided a detailed breakdown of the percentage of below 10Mbit/s premises in English local authorities (Annex A), although the list is not comprehensive. It is worth noting that, as the Superfast Broadband Programme has not yet completed, some of the premises that make up these numbers may well be covered by the end of 2017. However, the figures still highlight the challenge faced by many areas.

<sup>2</sup> The National Procurement Framework with which the majority of councils procured their suppliers defines superfast broadband as 24Mbit/s, so coverage at this level will be slightly higher.

<sup>3</sup> <https://labs.thinkbroadband.com/local/>



*Mobile Connectivity*

25. Rural mobile connectivity continues to lag behind urban coverage with indoor coverage in rural areas is particularly poor. For example, 72 per cent of rural premises in the UK have voice call coverage from all networks outdoors; but only 31 per cent of rural premises have the same level of coverage indoors. Complete and partial ‘not spots’ are also more prevalent in rural areas which reflects their relative population densities.

		Indoor Voice (2G + 3G)	Outdoor Voice (2G + 3G)
Partial Not-Spots	Urban	8%	1%
	Rural	56%	22%
Complete Not-Spots	Urban	Less than 1%	Less than 1%
	Rural	11%	2%
Premises covered by all operators	Urban	92%	99%
	Rural	33%	76%

*Source: Ofcom analysis of operator data*

*Source: Ofcom Connect Nations Report*

*Mapping the data*

26. In order to support councils and consumers to better understand mobile coverage in their areas, Ofcom has released a [Mobile Coverage Checker map](#) with its own predicted coverage for mobile voice and data for each of the UK mobile network operators. They have tested actual coverage in various locations around the UK, and used the results to set the thresholds for voice calls used on the map. They will continue to conduct testing, work with the mobile operators and analyse consumer feedback with a view to improving the accuracy of the map.

27. The LGA has also successfully lobbied Ofcom to release data at a more useful local authority level. As part of a partnership with the digital skills charity Go On UK, officers have conducted an analysis of the digitally inclusive nature of local areas, at local authority level. By compiling a range of different metrics, their mapping tool is able to rate out of 5 the likelihood of part of the population of an area being digitally excluded. The map will be updated with the latest broadband and mobile coverage data from this latest Ofcom release this month.

*Broadband Campaign*

28. At the last Board, members also commissioned a member-facing campaign to encourage councillors to submit internet speed results from the areas they represent. Using the data from these results it was proposed that the LGA would create a tool to build a “councillors’ map of broadband speeds” across England. The campaign, which has been refined further from the survey’s emerging findings, will also look to focus on increasing members’ understanding of the alternative network suppliers to help them make informed judgements on potential alternatives to current delivery partners. Officers will work with Lead Members to shape the campaign strategy ahead of a fuller update at the next Board.

### **Next steps**

Members are asked to consider the suitability of the following actions as a response to the emerging findings:

29. In response to the recent delays to the Government-EU State Aid negotiations: **LGA officers will draft a formal letter from the Chair of the Board to BDUK expressing the sector's concerns at the delays holding up potential new procurement processes.**
30. In response to the identified Mobile Infrastructure Project underspend: **LGA officers will also use the formal letter to Government to push for the reallocation of any underspend on the MIP to new projects related to tackling poor mobile connectivity.**
31. In response to council's plans to use smaller procurement methods and engage alternative suppliers as part of Phase 3 plans: **LGA officers propose to host a joint roundtable in the spring between council procurement officers and BDUK to discuss how new smaller procurement processes might work, hear from alternative network providers and community-funded operations on their proposed solutions, and share best practice amongst councils.**
32. In response to the low take-up rates reported by survey respondents: **LGA officers will work in partnership with the LGA Improvement and Innovation Board to lobby BDUK and the Government's Digital Economy Unit, charged with improving digital skills and inclusion, to explore efforts to stimulate demand in areas.**
33. In response to councils' efforts to develop local relationships with Mobile Network Operators: **LGA officers will engage the Mobile Network Operators' Association to understand the mobile market and wider commercial development and explore ways both sectors could work together.**
34. **Officers will also seek to engage Ofcom in this regard and assess whether their new mobile coverage map could be a useful tool for councils or if it could be improved in any way.**





## Appendix A

### Percentage of premises in England receiving speeds less than 10Mbit/s by council

Area/Local authority	Premises receiving speeds of less than 10Mbit/s (%)
<b>Locations with more than 30% of premises currently below 10Mbit/s</b>	
East Riding of Yorkshire	51
City of Kingston upon Hull	38
<b>Locations with 21- 30% of premises currently below 10Mbit/s</b>	
County of Herefordshire	28
Shropshire	21
<b>Locations with 11-20% % of premises currently below 10Mbit/s</b>	
Wiltshire	17
West Berkshire	16
North Somerset	13
Bath and North East Somerset	12
Central Bedfordshire	12
Bedford	11
<b>Locations with less than 10% of premises currently below 10Mbit/s</b>	
Rotherham District	10
Barnsley District	10
Rutland	10
Sheffield District	9
Northumberland	9

Telford and Wrekin	9
North Tyneside District	8
Doncaster District	8
Stockton-on-Tees	8
Gateshead District	7
Redcar and Cleveland	7
Kirklees District	7
Cornwall	7
Swindon	7
City of Peterborough	7
St. Helens District	7
County Durham	7
North Lincolnshire	7
Isle of Wight	6
Calderdale District	6
Darlington	6
Cheshire West and Chester	6
Cheshire East	6
Thurrock	5
Blackburn with Darwen	5
Hartlepool	5
Milton Keynes	5
Warrington	4

South Gloucestershire	4
Wokingham	4
Salford District	4
Manchester District	4
Sandwell District	4
Windsor and Maidenhead	4
Solihull District	4
Torbay	3
Middlesbrough	3
South Tyneside District	3
Halton	3
Leeds District	3
Medway	3
Coventry District	3
York	3
Wakefield District	3
Bracknell Forest	2
Bradford District	2
London	2
Reading	2
North East Lincolnshire	2
Wirral District	2
City of Plymouth	2

Slough	2
City of Derby	2
Newcastle upon Tyne District	2
Walsall District	2
Isles of Scilly	2
Birmingham District	2
Dudley District	2
City of Leicester	2
Poole	2
City of Portsmouth	2
City of Nottingham	2
Rochdale District	2
City of Stoke-on-Trent	2
Knowsley District	2
Wigan District	2
Bolton District	1
City of Bristol	1
Oldham District	1
Sunderland District	1
City of Southampton	1
Sefton District	1
The City of Brighton and Hove	1
Bournemouth	1



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Stockport District	1
Liverpool District	1
Bury District	1
Trafford District	1
City of Wolverhampton District	1
Blackpool	1
Luton	1
Tameside District	1
Southend-on-Sea	1





## **The Spending Review, Business Rates Retention and the Provisional Local Government Finance Settlement 2016/17 and Future Years**

### **Purpose of report**

For information.

### **Summary**

This report highlights the announcements in the Spending Review and Autumn Statement 2015 and the 2016/17 Provisional Local Government Finance Settlement.

### **Recommendation**

That the People and Places Board note the update.

### **Actions**

Report for information only.

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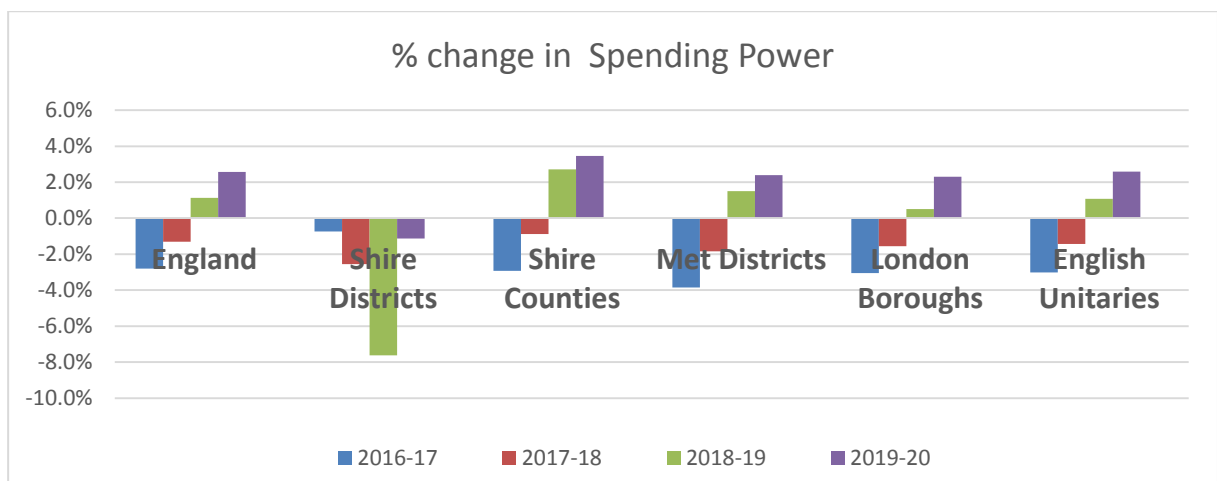
## The Spending Review, Business Rates Retention and the Provisional Local Government Finance Settlement 2016/17 and Future Years

### Background

1. On 25 November, the Chancellor announced the Spending Review and Autumn Statement 2015 to cover the life of the current Parliament. The Secretary of State for Communities and Local Government made a statement to Parliament on 17 December 2015 on the provisional local government finance settlement for 2016/17 and future years. The consultation on this closes on 15 January 2016.
2. The LGA's on-the-day briefings for both events summarise the proposals affecting councils and are available on the website [here](#) for information.

### Implications for Local Government Finance

3. In the Spending Review, the headline figures for local government were that core central government funding for local government, comprising business rates and revenue support grant, will fall by 24 per cent in real terms over the Spending Review period. When taking into account the Office for Budget Responsibility forecasts of other income raised locally by councils, the overall position is a 6.7 per cent real terms reduction. These figures are better than expected given that, in the run up to the announcement, all government departments were asked to model reductions of 25 and 40 per cent.
4. The headline figures announced in the provisional settlement are:
  - 4.1. Core Spending Power for councils as a whole will fall by 0.5 per cent over the four year period to 2019/20. Core spending power is a new measure defined by the government including: Revenue Support Grant (RSG); retained business rates; the new homes bonus; and income from council tax assuming specified levels of growth, as well as some other specific funding. The following graph shows core spending power by class of authority over the period to 2019/20.





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- 4.2. The Government has also included a new definition of “settlement core funding” which is RSG plus retained business rates and council tax at the 2015/16 base level. The inclusion of base council tax is new compared to the “settlement funding assessment” used in previous years.
- 4.3. Taking into account the full range of ways councils can raise money, the settlement is “flat cash” in total for councils over the next four years.
- 4.4. The Government has taken expected council tax receipts into account when calculating core government funding (principally RSG) and has prioritised funding for social care authorities. RSG will reduce in a way that ensures that councils delivering the same set of services will receive the same percentage change in settlement core funding for these services. As a result the settlement proposes distributional changes and this impacts differently on each type of council.
- 4.5. The figures for 2017/18 and beyond are subject to councils publishing an efficiency plan.
- 4.6. In later years RSG will be reduced to below zero for some councils and these councils will have their funding adjusted via top-ups and tariffs. These councils will therefore lose some of their locally retained business rates. The total amounts involved nationwide are £2.27 million in 2017/18, £22.82 million in 2018/19 and £152.88 million in 2019/20. This represents about 0.02% of retained business rates in 2017/18 rising to about 1.2% in 2019/20.

5. The number of authorities going into negative RSG is shown by type and year in the following table.

Year	Shire Counties	London Boroughs	Shire Unitaries	Shire Districts	Metropolitan Districts	Fire Authorities	Total
2017/18	0	0	0	15	0	0	15
2018/19	2	1	2	51	0	0	56
2019/20	11	3	8	146	0	0	168

6. The settlement includes greater flexibility over council tax. Adult social care authorities will be able to increase their council tax by 2 per cent over the referendum threshold. This must be spent on adult social care. District councils whose council tax is currently in the lowest quartile will be able to increase their council tax by the higher of 2 per cent or £5.
7. Beyond this, the 2 per cent council tax referendum limit was confirmed, and a consultation on the review of new homes bonus was launched.

### **LGA Successes – announcements in spending review and settlement**

8. In line with LGA lobbying, a number of announcements in the spending review and the provisional settlement can be counted as wins for the LGA. These include recognition of the need to address the social care funding crisis, the extension of the better care fund, funding for additional nursery places, more flexible use of capital receipts, proposals for the Work and Health Programme, and rural funding amongst others. Details can be found in the two on-the-day briefings [here](#). The reduction in overall funding is less than widely

expected and is a sign that our case had an impact on Government decisions on local government funding. The announcement on Business Rates Retention is particularly significant and is outlined in the next paragraph.

### **Business rates retention**

9. The Spending Review and the provisional settlement both contained further information about the introduction of 100% business rates retention by 2020.
10. The Government will consult on the proposals. The key features are as follows:
  - 10.1. Local Government as a whole will keep all of business rates.
  - 10.2. Revenue Support Grant will be phased out.
  - 10.3. The reform will be fiscally neutral, so current grants and additional powers and responsibilities will be transferred to local government to match the additional base business rates funding. So far, these are proposed to include the public health grant and the housing benefit admin grant, together with the TfL's capital grant (announced in the Spending Review). This amounts to about £5 to £6 billion. It was announced in the Settlement that the transfer of support for people with care needs currently supported by Attendance Allowance is being considered.
  - 10.4. The system of top ups and tariffs will continue and after this all local growth will be retained.
  - 10.5. All local authorities will have the power to reduce business rates, but only area with a directly elected city wide mayor will be able to add a premium (increase) with the support of the Local Economic Partnership.

### **Communications / Public Affairs**

11. Our media lines in response to the Spending Review were covered extensively in the national media including in three separate **Guardian** pieces, **BBC online**, **Times**, **FT**, **Mirror**, **Mail**, and **Independent**. Cllr Sharon Taylor OBE was also interviewed by **BBC News**, **Chanel Four News**, **ITV news**, **Five Live** and **LBC**. Cllr Izzi Secombe also spoke on the **Today Programme** on the day following the Spending Review announcement to discuss the impact on social care.
12. A planned media briefing was held on the Friday following the Spending Review announcement to provide a chance to explain the figures to media. This was well attended and led to stories highlighting the LGA's analysis in the **Observer**, **Sun on Sunday**, **Sunday Express**, **Independent on Sunday**, **Sunday Times**, **BBC online**, **BBC news**, **ITV** and **Sky News**.
13. A media statement was issued on the day of the settlement with our initial analysis and reaction to what it means for councils. Chairman Lord Porter was interviewed live on the **BBC Daily Politics** on the day of the settlement and our statement was also reported as part of coverage in the **Guardian**, **FT**, **Express** and on **Mirror Online**.
14. Our on-the-day briefing for each event was circulated to Council Leaders, Finance Portfolio Holders, Chief Executives, senior local government officials and parliamentarians. For the Spending Review the on-the-day briefing was downloaded over **8000 times**. So far the on-the-day briefing for the provisional settlement has been downloaded 4,481 times.



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**Next steps**

15. We will continue to brief MPs and Peers as the Finance Settlement is debated in Parliament in January and February 2016.
16. Members are asked to note the report and the content of the on-the-day briefings available on the website [here](#).

**Financial Implications**

17. This is core work for the LGA and is budgeted for within the 2015/16 LGA budget.





## Devolution within England

### Purpose

For discussion and direction.

### Summary

This paper provides an update on recent policy developments to inform members' discussion of the next stages of the LGA's campaign for devolution.

### Recommendations

That the People and Places Board provides a steer on the devolution work currently being undertaken and the next stage of the LGA's campaign for devolution, particularly as set out in **paragraphs 13 to 15** and **Appendix A**.

### Action

Officers to take any actions as directed by the Board.

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## Devolution within England

### Cities and Local Government Devolution Bill

1. The Cities and Local Government Devolution Bill completed the Committee Stage in the Commons on 17 November. Members' steer has been to ensure that the Bill facilitates the most flexible, locally-led negotiations. Our numerous briefings to Parliamentarians have been based on this steer. One disappointment has been that the Government removed the "devolution test" that we had successfully pressed for in the Lords, which would have required Ministers to demonstrate that any new piece of legislation was consistent with the principles of devolution. However, we were pleased that the Government accepted the amendment related to transparency that was passed following our lobbying. This provision requires the Secretary of State to lay an annual report about devolution before Parliament.
2. Members expressed significant concerns with new amendments tabled in early December (including 7, 8, and 27 and 56) giving the Secretary of State discretion to determine the composition of local governance arrangements without requiring full local consent. In our briefing to parliamentarians, we urged the Government to clarify the exceptional circumstances under which these powers could be used and provide assurances that there would be adequate safeguards to protect the viability of all affected authorities. We will continue to brief MPs on our concerns ahead of the 'ping pong' stage which begins on 12 January.
3. A new clause was added to allow groups of councils such as Transport for the North to set up statutory Sub-National Transport Bodies to advise transport ministers on investment priorities and strategic transport schemes in their own areas. The LGA supports this provision but we also emphasised that areas should be able to come forward with proposals for their own constitutional arrangements without central prescription.
4. Although the timetable for the Bill has been slightly delayed and Royal Assent was not achieved in December as planned, officials are confident that following 'ping pong' from 12 January, Royal Assent will be achieved as quickly as possible and should not delay councils' plans. We will continue to monitor this and press for the Bill to move as swiftly as possible, while still ensuring councils' views are represented. The LGA has also produced a briefing to clarify the new powers the Bill would provide the Secretary of State.<sup>1</sup>

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<sup>1</sup> [http://www.local.gov.uk/web/guest/briefings-and-responses/-/journal\\_content/56/10180/7611125/ARTICLE#sthash.SsqilYOO.dpuf](http://www.local.gov.uk/web/guest/briefings-and-responses/-/journal_content/56/10180/7611125/ARTICLE#sthash.SsqilYOO.dpuf)

## Devolution deals

5. Since September, five devolution deals have been announced:
  - 4.1 Sheffield City Region
  - 4.2 North East
  - 4.3 Tees Valley
  - 4.4 West Midlands
  - 4.5 Liverpool City Region
6. The Chancellor also announced further devolution of powers to Greater Manchester in the Spending Review. Summaries of the deal announcements are available on the LGA's [DevoNext hub](#).
7. Although each deal has bespoke elements, a consistent pattern or 'core offer' has emerged in the city region deals. In all these deals, the governance arrangement that has been agreed is a mayoral combined authority, with the first elections for directly-elected mayors set for May 2017. Broadly speaking, the common elements of a city region deal are set out below. This core offer gives the LGA a further platform to continue its negotiations at scale. One element of that work is set out in paragraphs 13 and 14, and **Appendix A**.
  - 7.1. A single investment fund enabling pooling of central and local funding streams for economic growth, "seeded" with an annual allocation of central government funding for 30 years.
  - 7.2. Full devolution of the 19+ skills budget by 2018/19.
  - 7.3. Co-design with Department for Work and Pensions of future employment support for harder-to-help claimants.
  - 7.4. Intermediate Body (IB) status for the European Regional Development Fund and European Social Fund.
  - 7.5. Power to pursue bus franchising.
  - 7.6. Pooled and devolved local transport funding allocated as a multi-year settlement.
  - 7.7. Introduction of smart ticketing across local modes of transport.
  - 7.8. Devolved approaches to business support.
  - 7.9. Greater tailoring and engagement of city regions on UK Trade and Investment services.
8. Several of the elements above reflect the strength of the sector's collective lobbying through the LGA. For example, the LGA has long campaigned for localisation of EU funds, devolution of skills funding, powers over bus franchising and greater local influence over trade and investment programmes.
9. There is a pipeline of negotiations with a number of other places, particularly in two-tier areas, with the likelihood of further announcements in the early part of this year. The

LGA has been working with a number of places that opted not to submit proposals in September and further proposals are expected to be submitted in the coming months. In our response to the Spending Review, we emphasised that the full benefits of devolution must be extended to all areas of the country. We will be keeping up the pressure on Government to ensure that progress on delivering deals is sustained.

### **LGA support offer**

10. There has been very good take-up of the LGA's support offer. Andrew Campbell (LGA Associate Director, currently on secondment to the LGA from his position as a Director General in DCLG) has met with groups of councils in every part of the country and his connections have been particularly valuable in helping local areas gain insight into the thinking of Whitehall departments as they refine their pitches. Over the past weeks, he has been helping places prepare for their challenge sessions with Ministers.
11. Our DevoNext hub continues to receive positive feedback from the sector and we have added a number of new features in the past few weeks, including:
  - 11.1 A short video to explain what combined authorities are.
  - 11.2 Links to the September bids and summaries of the devolution deals that have been announced.
  - 11.3 Links to useful resources developed by local authorities.
  - 11.4 Links to research and analysis to bolster the evidence base for bids.
  - 11.5 Infographics illustrating the benefits of devolution for businesses and what could be gained by devolving skills and employment support.
12. The LGA has also organised several well-attended events on devolution including:
  - 12.1 A national conference on communicating about devolution in Birmingham on 21 October.
  - 12.2 A joint national conference with SOLACE on governance in a new world on 27 November.
  - 12.3 Two events for elected members to explore place-based leadership in the context of devolution as part of the LGA's Leading Edge and Leaders' Programme.

### **Engaging parliamentarians: 'Devo What Next'**

13. Members have highlighted that backbench MPs are a key audience for the LGA's messages about devolution. As well as their parliamentary role, they also have strong views about governance and public services in their constituencies and are often influential within party structures. In order to continue to press the case for devolution in general and non-metropolitan areas in particular, it is proposed to focus an element of our lobbying activity specifically on backbenchers. The aim of this activity would be to:



- 13.1 Raise the profile of devolution
- 13.2 Highlight how devolving services can help address local and national challenges to public services
- 13.3 Highlight how devolution can support local economic growth
- 13.4 Solicit support for upcoming legislation relevant to devolution, for example the Buses Bill.

14. It is proposed that officers develop a suite of short, punchy, well-designed materials making up a prospectus spelling out the opportunities presented by devolution. This would draw heavily on existing evidence, but draw on up to date information on deals. They could also signpost MPs to existing materials such as the infographics, maps and explainer video on the DevoNext Hub. Two examples of source material are included at **Appendix A**, outlining our arguments on skills and employment, and transport. **Members' political steer will be key to the success of this campaign; comments on tactics would be very helpful at this early stage.**

#### **Future considerations and next steps**

15. Whilst many new deals, including in non-metropolitan areas, are expected to be announced over the next few months, other areas will be beginning their implementation phase. There are a number of implications arising.
- 15.1 **Support and building capacity in councils:** The scope of the LGA's support offer has been set out above. This service can be provided within current resources. It will be particularly important to ensure the innovative work that councils are developing in areas which have been newly devolved is shared and communicated widely.
  - 15.2 **Pushing the limits of devolution deals.** The limits of devolution deals tend to expand by a variety of factors including the ambition and negotiation of individual councils and combined authorities, collective representation by the LGA and pressure from independent research and think tanks. There are three areas which are under consideration to ensure that the LGA helps push the limits of English devolution policy. Firstly, there is a need to renew the debate on the benefits of devolution in the reform of public policy. Secondly, there are specific policy areas where the pace of work on devolution needs to be increased: skills policy is a particular concern of this Board and the City Regions Board. Finally, there are distinct non-metropolitan issues which need to be addressed, such as issues around broadband delivery and connectivity which this Board is pursuing.
  - 15.3 **Wider constitutional issues:** The reshaping of English local governance raises a number of questions for all four nations of the UK. Currently, the All Party Parliamentary on Reform, Decentralisation and Devolution in the UK has convened a groups of experts from across the UK to consider the wider constitutional and long-term issues resulting from devolution in all four nations. This expert panel is led by the LGA President, Lord Kerlake, with the LGA



providing the secretariat. Their report is expected in March 2016 and will help create a public debate in this area.

#### **Devolution deals and the LGA**

16. As devolution deals initiate changes to English local governance, the LGA will need to consider how it works with Combined Authorities and other groupings of councils in the future. LGA services will need to be provided to member councils both individually and through their sub-regional alliances, combined authorities and mayoral models. Our governance structures should also reflect these new arrangements.
  
17. At the LGA Executive meeting in September, members asked for the LGA to consider its own structures and services as more devolution deals are achieved. Group Leaders have discussed this issue in more detail and have examined ways in which Combined Authorities, Mayors and other areas with devolution deals can be supported within the LGA. However, the Chairman and Group Leaders felt that it was important that the detail of how the LGA adapted to changing English governance should be developed by those at the front line of such changes. As a result a working group with a representative from each of the Groups has been convened in order to assess how the LGA develops to address these issues.

## Appendix A

### Employment and skills

Councils want to stimulate thriving local economies, so all residents contribute and benefit from local growth. Working across functional economic areas with businesses and local partners, they are building on their unique and proven capacity to integrate services around vulnerable people and anticipate and respond to local employer needs.

Yet councils' ability to address unemployment and skills demands is constrained by a national employment and skill funding system. Worth £13 billion in 2013/2014, national budgets have significantly reduced. Councils can help manage these reductions if the Government devolved these funds allowing them to locally integrate and plan investment so all areas create a steady supply of skills and jobs required to boost national productivity. While many areas have benefited from pilots through City, Growth and Devolution Deals, all areas want to have more secure funding so they can plan more effectively.

#### The problem...

**National contracted employment schemes struggle to support those with weaker labour market prospects** – just one in five disadvantaged Jobseekers Allowance (JSA) and Employment and Support Allowance (ESA) claimants get a job on the Work Programme (WP) which has also created huge variances in job outcome performance between local authority areas, ranging from 44 per cent above the national average to 28 per cent below. After two years on the scheme, 70 per cent of all jobseekers and 87 per cent of all ESA claimants find themselves back at the job centre looking for work. This is unacceptable. Reform is needed.

**The skills system is unresponsive to the future needs of local areas and employers.** Failure to invest in skills will impede local growth and England's productivity by up to 25 per cent – £375 billion – could be lost, with £174 billion in lost tax – enough to fund adult social care for a decade. LGA analysis predicts if we do not increase average qualification levels from five GCSEs to three A Levels (or equivalent), a growing skills gap will emerge by 2022:

- a surplus of 5.5 million low skilled workers as 9.2 million chase 3.7 million low skilled jobs
- a surplus of 2.4 million intermediate skilled workers as 12.6 million chase 10.2 million jobs
- a shortage of 2.9 million high skilled workers – only 11.9 million high skilled workers for 14.8 million high skilled jobs.

**Skills shortages are holding back housebuilding.** While recruitment demand has increased from 29,050 in 2013, to 44,690 in 2015, the number of people in construction-related training is declining, with apprenticeships falling by 58 percent since 2012/13.

#### The solution...

Employment

- Submitted to Ministers in November 2015, the **LGA devolved employment support programme** could support one million of the most disadvantaged jobseekers, including ESA work ready claimants. We recommend it replaces Work Programme contracts in 2017, with a budget of £2.75 billion drawn from central government employment, health and skills budgets (DWP, DoH, BIS). We expect it to improve job outcome performance by 50 percent resulting in 54,000 more people securing employment.
- The Spending Review announced a new specialist Work and Health Programme (WHP) to replace the Work Programme for claimants with health conditions or disabilities and those unemployed for over two years. While it reflects many of the LGA proposals, national commissioning (except in seven city regions areas where it will be co-commissioned) and much lower levels of investment for WHP may result in inadequate support for claimants needing intense support.
- The LGA will lobby DWP to give councils the lead commissioning role for the WHP programme with adequate levels of funding. Next steps include a DWP/LGA roundtable with councils and a meeting with the Employment Minister Priti Patel MP. Collaborative work wider stakeholders is also planned.

#### Skills

- Addressing the local skills challenge, creating 3 million new apprenticeships and getting the provider market to deliver is a priority for all areas. To achieve it, we need a step change in Government policy to devolve apprenticeship and skills funding for all ages to local areas so councils, businesses and education providers can gear all funding to the needs of local residents and businesses.
- While the Government is moving in the right direction, it is far from councils' long term ambitions. For instance many want to see Area Based Reviews, set up to restructure the FE landscape, capture a broader range of educational establishments, and that plans to unify separate skills budgets for adults with a view to local areas co-commissioning it, to also include funding for apprenticeships.

Visit [the LGA's DevNext Hub](#) for more information.

## Transport

The vast bulk of this country's transport infrastructure exists to serve local needs and local economies: 98 per cent of the roads network are local roads. Yet there are some major challenges facing transport services which only serve to highlight what is currently a dysfunctional system of funding and distribution of power. In 2014, the LGA commissioned independent research into the funding and decision-making system for transport, which were published in a report, *Better Roads for England*<sup>1</sup>. It identified some **major challenges**:

**Gridlock 2040** – The Government forecasts up to 51 per cent increase in traffic and 24 per cent increase in congestion levels on council run Principal A roads by 2040. If left unchecked this will have major consequences for the national economy given that congestion is estimated to already cost the UK £4.3 billion per year. Tackling air pollution and carbon reduction will be much more difficult. Increasing road capacity by itself is not the solution – policies such as development planning, supporting public transport, walking and cycling and traffic management are needed to take the heat out of the predicted growth. Only councils can deliver the most effective combination of policy approaches to deal with variable local impacts.

**Road maintenance backlog** – It is estimated the current backlog of road maintenance would cost £12 billion to fix and would take around 10-12 years to clear. The backlog is growing and – without new policies – will worsen as traffic increases. Addressing the backlog, a more stable funding stream, and moving towards preventative maintenance would also save money in the long run.

**An unbalanced system** – The systems for planning and resourcing the strategic road network and local roads are very different, with Highways England given a long-term funding settlement and from 2020/21 investment resources are being pinned to Vehicle Excise Duty. In contrast councils have to access a myriad of funding pots which have different legal frameworks, different assessment criteria, business case requirements and timescales. This leads to inflexibility, duplication and waste. There is an over-use of competitive funding. Addressing these issues would improve outcomes and value for money. Yet the two tiers are part of a single indivisible network where virtually all journeys begin and end on local roads.

Furthermore, in September this year the LGA published *Missing the Bus?*<sup>2</sup> a report which highlights the funding pressures on non-metropolitan councils' supported bus services, and the mitigating measures they are taking to minimising cuts in service.

In **response to these challenges** the LGA is calling for greater devolution of powers and funding, including:

- Longer-term certainty of funding as enjoyed by other infrastructure providers such as Highways England and Network Rail
- Simplification and devolution of all funding relating to local transport, avoiding wasteful and time-consuming competitive bidding

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<sup>1</sup> <http://tinyurl.com/l6ejdb6>

<sup>2</sup> <http://tinyurl.com/o2paltq>

- Devolution of Bus Services Operator's Grant, and to make bus franchising much simpler and for Government to help with Total Transport.
- Government agencies, such as Network Rail and Highways England, to be more responsive to local needs.

### **Next steps**

Recently announced devolution deals have shown a positive change in approach from central government with a number of places set to benefit from multi-year funding settlements, a promise of bus franchising powers (in response to agreeing to a mayoral model, except for in Cornwall) and agreements for closer working with Highways England and Network Rail.

We must now make the most of future opportunities for reform, such as through the Buses Bill. We urge you to stay in touch with the LGA to understand how the Bill can help promote better transport through devolution to local government.

Visit [the LGA's DevoNext Hub](#) for more information.

# LGA location map

## Local Government Association

Local Government House  
 Smith Square  
 London SW1P 3HZ

Tel: 020 7664 3131  
 Fax: 020 7664 3030  
 Email: [info@local.gov.uk](mailto:info@local.gov.uk)  
 Website: [www.local.gov.uk](http://www.local.gov.uk)

## 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

## 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.

## 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)

