

Note of last City Regions Board meeting

Title: City Regions Board
Date: Monday 26 October 2015
Venue: Westminster Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ

Attendance

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

Item	Decisions and actions	Action
1	<p>Welcome and apologies</p> <p>Sir Richard Leese welcomed members of the board and recorded apologies for Cllr Peter Rankin, Cllr Tudor Evans, Mayor Joe Anderson OBE, Cllr Roger Lawrence, Cllr Sir Albert Bore, Cllr Nick Forbes, Cllr Judith Blake, Mayor Sir Steve Bullock and Cllr Abigail Bell.</p> <p>Sir Richard also welcomed new Board members to the first meeting of the political cycle. He then moved to bring items 5 and 6 to the front of the agenda due to Lord Kerslake's imminent voting commitments in the House of Lords. The Board agreed to bring the items forward on the agenda.</p>	
2	<p>Discussion with Lord Kerslake</p> <p>Lord Kerslake, President of the LGA, spoke about his work as the Chair of an inquiry on <i>Better Devolution for the Whole UK</i> set up by the All-Party Parliamentary Group (APPG) for Reform, Decentralisation and Devolution in the UK.</p> <p>He said that the overarching purpose of the inquiry was to set out a framework for long-lasting and coherent devolution in the UK. He noted that the inquiry would like to hear from local government representatives at their next evidence session on 30 November 2015 and invited Board members to participate. He also asked any Board members who are interested in submitting written evidence to the inquiry's next session to contact Charlotte Taylor in the LGA Public Affairs team. The inquiry aims to hold another two evidence sessions in December 2015 and January 2016 before launching its findings in March 2016.</p> <p>Lord Kerslake predicted that it is very unlikely that the inquiry will reach final recommendations that run counter to the core interests of the LGA. He expressed sympathy for the idea that fiscal devolution is required alongside devolution of powers. He noted that the debate at the moment is mainly focussed outside of London, but that further devolution within London is required. He also clarified that the inquiry does not intend to be a constitutional convention, but rather the precursor to one.</p>	

Members discussed:

- The importance of ensuring that the report is perceived as impartial and high-quality in order to gain maximum political traction.
- The need to take a wide view of powers that could be devolved to local authorities based on an analysis of viable local solutions to long-term problems.
- The value of different places devolving at their own pace by utilising successful models that look likely to suit their specific needs.
- The need for the inquiry to look at new models of devolution as well as evaluating existing models.
- The importance of the inquiry expanding beyond a purely growth-orientated analysis of devolution and looking at other potential benefits such as public service reform.
- The extent of fiscal devolution that looks likely to strike the best balance between optimising devolution of powers and ensuring equity between areas.
- The value of underpinning devolution deals with legislation to ensure that it is not easily overturned.
- The potential risk of central government devolving problematic and high-cost responsibilities that local authorities are not currently well equipped to deal with.
- The importance of looking at which models of devolution have been most successful in getting buy-in from the Civil Service and central departments.
- The value of getting support for devolution from the business community.
- The risk of raising expectations too high on what is likely to be achievable in the near future in terms of agreeing and implementing new devolution deals.

3 English Devolution

Sarah Pickup, Deputy Chief Executive of the LGA, spoke to the Board about the LGA's strategy on fiscal devolution, as outlined in paragraphs 7, 12, 17 and 23 of the paper before the Board.

She said that LGA officers have been framing the Spending Review as an opportunity to push for early implementation of 100 percent business rates retention. She noted that she has liaised with council Chief Executives on this matter, and then invited members to air their thoughts.

Members discussed:

- The number of programmes certain local authorities will need to cut in order to present central government with revenue-neutral proposals for fiscal devolution.
- The importance of addressing the issues of redistribution, equity and proportionality prior to getting into the details of business rates retention, as these wider goals should frame the discussion.
- The importance of areas who have bid for 100 percent fiscal devolution creating viable plans for redistribution.
- The need to make clear that any extra taxes raised through fiscal

devolution are required for councils to fulfil their current responsibilities, rather than a reason to devolve further responsibilities.

- The need to consider how to redistribute locally in a self-sufficient model of tax and spend.

Charlotte Taylor, Public Affairs and Campaigns Adviser, updated the Board on the progress of the Cities and Local Government Devolution Bill. She summarised the changes that have been made to the Bill in light of the LGA's efforts, as detailed in paragraphs 9 and 10 of the paper before the Board. She noted that most of the issues of key relevance to the LGA were addressed on the first day of the Committee Stage, with a number of favourable amendments being agreed. The next opportunity to get further amendments on key LGA issues is the Report Stage.

Members discussed:

- The importance of ensuring that the final Bill takes the form of enabling legislation, and the central role that Board members can play in pushing for this by keeping up to date with, and shaping, the LGA's main asks.
- The value of face-to-face interactions between Board members and their local MPs in order to maintain momentum behind the devolution agenda.
- The political value of local authorities shaping their devolution requests around previously successful devolution models and aiming towards some degree of standardisation across devolution requests, whilst acknowledging that standardisation has risks as well as political benefits.

Action

Members expressed a wish to stay informed about the research that the Resources portfolio has commissioned on business rates devolution.

Members asked for the LGA's briefings on the Devolution Bill to be circulated to the Board.

Members said that they would contact their local MPs to promote the Board's views regarding the development of the Devolution Bill.

4 Declarations of Interest

No declarations of interest were announced.

5 Membership and Terms of Reference for 2015/16

Members were asked to note the Board's membership for 2015/16 and agree the Board's terms of reference for 2015/16.

Sir Richard noted that the first paragraph states that the Board's purpose is to represent the interests of urban areas, and that this should be used as a test for the Board's work. He also noted that the Board has the flexibility to appoint members to lead on certain key issues.

Members **agreed** the Board's membership and terms of reference for 2015/16.

6 City Regions Board Work Programme 2015/16

Ian Hughes, Head of Policy, introduced the Board's Work Programme for 2015/16. He drew members' attention to paragraph 10, which sets out a number of strategic issues for members to consider when establishing the work programme for the coming year. He also suggested that the Board might want to shape priorities around how it can best work with councils at the coalface of the devolution agenda.

Members **agreed** the following:

- That a review of the Board should be inserted into the Work Programme for 2015/16, as discussed in the previous Board meeting.
- This review should cover how combined authorities and metro mayors will fit into the structure of the Board, and should be informed by discussions with advisors from the four constituencies from which Board membership is drawn.

Members discussed:

- The possibility of supporting research currently being scoped by Core Cities on economic inclusion.
- The importance of tying in the Work Programme with a clear communications strategy on the benefits of devolution to city regions.

7 Governance in the context of devolution

Piali DasGupta, Senior Advisor, introduced a paper exploring governance in the context of devolution, which outlined the current position in the UK, some international comparisons, the emerging thinking in the 4 September devolution bids, and some options for future projects. She sought members' opinions on whether to try to move the devolution conversation on from structures of governance to principles of good governance.

Members discussed:

- The importance of emphasising that different areas will need different governance arrangements.
- The value of engaging with the business community on governance issues.
- The benefits and risks of seeking to map out a blueprint of what the UK as a whole should be aiming towards in terms of devolved governance.
- The value of working alongside the People and Place Board to ensure that there is not duplication and that each Board is aware of the similarities and differences between the governance issues they face.
- The importance of looking at international models of governance, including the strong/weak mayors in the US, Scandinavian models, etc.

- The importance of further work analysing the governance arrangements of existing combined authorities in England.

Action

Officers will develop further research on post-devolution governance options for the next Board.

8 Employment and Skills: update paper

Jasbir Jhas, Senior Advisor, introduced a paper updating the Board on the LGA's current activity on employment and skills. This item included a draft of the LGA/Department for Work and Pensions (DWP) Statement of Intent (Annex A), and a draft LGA proposal for a devolved employment support programme for adults with multiple needs (Annex B). An updated printed copy of Annex B was circulated to members and they were encouraged to feed back their thoughts before the 30 October 2015, so that the proposal could be submitted to the Government at the beginning of November, in time to influence spending review decisions.

Dave Simmonds, Chief Executive of Inclusion, who was commissioned by the LGA to produce the proposal was invited to speak to Annex B. He said that he anticipated the DWP's employment budgets being reduced in the upcoming Spending Review. He argued the case for focussing on adults with multiple-needs, who have a 19 percent job success rate as compared with 33 percent for other groups. The draft proposal supported the overall message that local government can do a better job of helping one million of the most disadvantaged jobseekers into work than national provision had thus far achieved. It also suggests that the funding envelope for the devolved programme would be estimated at £2.75bn over five years. This should come from DWP's Work Programme to be combined with devolved skills and health funding.

Members discussed:

- The importance of promoting integrated funds, such as the Troubled Families programme.
- The issue of whether it is better to push for across-the-board devolved employment and skills programmes or to push for small devolved pilot programmes that can then act as a catalyst for further devolution.
- The idea that the present skills shortage is a symptom of deeper problems with the wider economic system, and the need to widen the conversation to address these.
- The importance of taking a long-term approach that is holistic rather than too narrow a focus on short-term piecemeal results.
- The importance of framing the proposed employment programme as a mechanism for local models, rather than as the model that all local authorities should follow.
- The possible value of the LGA taking a lead on negotiating devolution of Department for Education (DfE) funding, rather than leaving it for individual authorities to try to strike a pilot deal.

Action

Officers will develop the suggestions for further work in paragraphs 25 – 28 in a way that is sensitive to the concerns outlined by members.

9 Minutes of the previous meeting

Members **agreed** the minutes of the previous meeting.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Sir Richard Leese CBE	Manchester City Council
Vice-Chairman	Cllr Robert Light	Kirklees Metropolitan Council
	Cllr Paul Watson	Sunderland City Council
Deputy-chairman	Mayor George Ferguson CBE	Bristol City Council
Members	Cllr Sean Anstee	Trafford Metropolitan Borough Council
	Cllr Robert Alden	Birmingham City Council
	Cllr John Beesley	Bournemouth Borough Council
	Cllr Donna Jones JP	Portsmouth City Council
	Mayor Jules Pipe	Hackney London Borough Council
	Cllr Helen Holland	Bristol City Council
	Cllr Ann Lucas OBE	Coventry City Council
	Cllr Simon Letts	Southampton City Council
	Cllr Iain Roberts	Stockport Metropolitan Borough Council
Apologies	Cllr Peter Rankin	Preston City Council
	Cllr Tudor Evans	Plymouth City Council
	Mayor Joe Anderson OBE	Liverpool City Council
	Cllr Roger Lawrence	Wolverhampton City Council
	Cllr Sir Albert Bore	Birmingham City Council
	Cllr Nick Forbes	Newcastle upon Tyne City Council
	Cllr Judith Blake	Leeds City Council
	Mayor Sir Steve Bullock	Lewisham London Borough Council
	Cllr Abigail Bell	Hull City Council
In Attendance	Lord Bob Kerslake	President of the LGA and Chair of the Inquiry into Better Devolution for the Whole UK
	Dave Simmonds	Chief Executive, Inclusion

LGA Officers

Sarah Pickup
Ian Hughes
Rebecca Cox
Piali DasGupta
Jasbir Jhas
Charlotte Taylor
Patricia McMahon
John Wilesmith