

City Regions Board

Agenda

Monday, 21 March 2016
2.00 pm

Committee Room 3A, House of Lords,
Houses of Parliament, Westminster
(entrance via Cromwell Green)

City Regions Board
21 March 2016

There will be a meeting of the City Regions Board at **2.00 pm on Monday, 21 March 2016** Committee Room 3A, House of Lords, Houses of Parliament, Westminster (entrance via Cromwell Green). Please allow 15 minutes to pass through security

If you are attending the reception to celebrate the launch of Lord Kerslake's report 'Inquiry into Better Devolution for the Whole UK' beforehand, this will take place from **1.00pm to 2.30pm** in the **State Rooms, Speaker's House, House of Common** (Entrance via the Portcullis House. No.4 on map). Please allow 15 minutes to pass through security and bring your invitation with you.

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.

Apologies:

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3334	email: Labour.GroupLGA@local.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.group@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Location:

A map showing the location of the Parliamentary Estate is printed on the back cover

LGA Contact:

Eleanor Reader-Moore
eleanor.reader-moore@local.gov.uk
020 7664 3383
07889004269

Carers' Allowance

As part of the LGA Members' Allowances Scheme a Carer's Allowance of up to £6.70 per hour is available to cover the cost of dependants (i.e. children, elderly people or people with disabilities) incurred as a result of attending this meeting.

Refreshments

It is unfortunately not possible to book catering for parliamentary committee rooms. However, there will be sandwiches, cake, tea and coffee at the reception at 1:00pm.

City Regions Board

City Regions Board – Membership 2015/2016

Councillor	Authority
Conservative (5)	
Robert Light (Vice Chairman)	Kirklees Metropolitan Council
Sean Anstee	Trafford Metropolitan Borough Council
Robert Alden	Birmingham City Council
John Beesley	Bournemouth Borough Council
Donna Jones	Portsmouth City Council
Substitutes	
Labour (14)	
Richard Leese (Chair)	Manchester City Council
Paul Watson (Vice-Chair)	Sunderland City Council
Peter Rankin	Preston City Council
Jules Pipe	Hackney London Borough Council
Helen Holland	Bristol City Council
Tudor Evans	Plymouth City Council
Joe Anderson	Liverpool City Council
Jon Collins	Nottingham City Council
Roger Lawrence	Wolverhampton City Council
Albert Bore	Birmingham City Council
Ann Lucas	Coventry City Council
Simon Letts	Southampton City Council
Judith Blake	Leeds City Council
Warren Morgan	Brighton & Hove City Council
Substitutes	
Steve Bullock	Lewisham London Borough Council
Independent (1)	
George Ferguson (Deputy Chair)	Bristol City Council
Substitutes	
Adrian Naylor	Bradford Metropolitan District Council
David Wootton	City of London Corporation
Liberal Democrat (2)	
Abigail Bell (Deputy Chair)	Hull City Council
Iain Roberts	Stockport Metropolitan Borough Council
Substitutes	
Tim Bick	Cambridge City Council

LGA City Regions Board Attendance 2015-2016

Councillors	26/10/15	25/1/16		
Labour Group				
Sir Richard Leese CBE	Yes	Yes		
Paul Watson	Yes	Yes		
Peter Rankin	No	No		
Mayor Jules Pipe	Yes	Yes		
Helen Holland	Yes	No		
Tudor Evans OBE	No	No		
Mayor Joe Anderson OBE	No	Yes		
Jon Collins	Yes	Yes		
Roger Lawrence	No	No		
Sir Albert Bore	No	Yes		
Nick Forbes	No	Yes		
Ann Lucas OBE	Yes	No		
Simon Letts	Yes	Yes		
Judith Blake	No	Yes		
Conservative Group				
Robert Light	Yes	Yes		
Sean Anstee	Yes	Yes		
Robert Alden	Yes	Yes		
John Beesley	Yes	Yes		
Donna Jones JP	Yes	Yes		
Lib Dem Group				
Abigail Bell	No	Yes		
Iain Roberts	Yes	Yes		
Independent				
Mayor George Ferguson CBE	Yes	Yes		
Substitutes/Observers				

City Regions Board

Monday 21 March 2016

2.00 pm

Committee Room 3A, House of Lords, Houses of Parliament, Westminster (entrance via Cromwell Green)

Item	Page
1. Welcome and Declarations of Interest	
2. Findings of the APPG Report on Reform, Decentralisation and Devolution (Discussion Item)	
3. Defining the Principles of Good Governance (report by Professor Robin Hambleton)	1 - 8
4. Employment and Skills Update Paper	9 - 14
5. Commission on Economic Inclusion (Oral Update)	
6. LGA Devolution Support Activity	15 - 18
7. Devolution Green Paper: Next Steps on English Devolution (Confidential)	19 - 24
8. Note of the Previous Meeting	25 - 31

Date of Next Meeting: Monday, 13 June 2016, 1.00 pm, Westminster Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ

Defining the Principles of Good Governance (report by Professor Robin Hambleton)

Purpose:

For discussion and direction.

Summary:

This short study of *Executive models of governance* is to help local authorities create suitable forms of executive governance for combined authorities. The Cities and Local Government Devolution Act 2016 sets out the legislative framework enabling the invention of new forms of city regional or sub-regional governance in England. This study aims to review mayoral and non-mayoral forms of governance on an international basis in order to widen the evidence base available to councils. This Initial Ideas Paper introduces the work and seeks views on the scope of the work and the criteria to be used for defining good governance.

Recommendation:

Board members are asked to agree the criteria set out below in section 9.

Action:

Officers to take forward as directed by members.

Contact officer: Rebecca Cox

Position: Senior Adviser

Phone no: 020 7187 7384

Email: rebecca.cox@local.gov.uk

Orientation and purpose

1. The Cities and Local Government Devolution Act 2016 opens up new opportunities for elected local authorities to reshape their local governance arrangements. In particular, the Act allows for new arrangements to be developed for **combined authorities**. Two main options for the governance of combined authorities appear to be available:

- 1.1 An elected mayor model in which the citizens directly elect the mayor of the combined authority to provide leadership. In practice, there are, potentially at least, considerable variations within this model.
- 1.2 A collective governance model in which elected councillors form an executive group to exercise leadership of the combined authority. As with the mayoral model there are, potentially at least, considerable variations within this model.

2. The purpose of this project is to produce a report, suitable to be developed into an online resource, to better equip councils to:

- 2.2 Explore different options for the institutional design of combined authorities
- 2.3 Widen their horizons by drawing on the experiences of other countries
- 2.4 Examine the strengths and weaknesses of alternative institutional designs
- 2.5 Develop their own bespoke proposals for combined authority governance to provide strong leadership and effective, efficient and accountable local democracy

This Initial Ideas Paper

3. This *Initial Ideas Paper* identifies the main elements of the study and seeks member views on:

- 3.1 The overall scope of the study
- 3.2 The draft criteria to be used in evaluating alternative governance models
- 3.3 An **Appendix** provides more details of the Project Brief, Outline and Phasing.

Overall scope

4. The study will present a range of possibilities for the executive governance of combined authorities in England. Some models to be included have already been

21 March 2016

set out in some detail. For example, the Greater Manchester Agreement on devolution provides for the introduction of a directly elected mayor. As from the Mayoral election in 2017 various city region powers in Greater Manchester will be allocated to 1) the directly elected mayor, and 2) the combined authority. Other models are being discussed and developed in different parts of England.

5. It is suggested that the study should provide an accessible guide to the main options for executive governance currently being considered, alongside other models that are in use in other countries. The Greater London Authority model of governance should also be included in the analysis. The report should: highlight the continuum of mayoral models (from 'strong' mayor models through to more collaborative models); include models not involving directly elected mayors; and give full attention to alternative ways of ensuring effective scrutiny at the combined authority level.

6. A key distinction to be examined in the study concerns the differences between a directly elected and an indirectly executive leader. There are arguments on both sides of this divide and the aim here is to widen horizons and encourage new thinking.

7. The report will provide objective evidence about alternatives and will not make recommendations. It will be for local authorities to make their own judgements.

8. Comments on the broad scope of the study are welcome. Are there particular issues that you feel should receive attention? Pitfalls to avoid?

Criteria for assessing the alternative models

9. Following a detailed analysis of previous studies of local governance carried out in the UK and in other countries, six inter-related criteria are suggested for this study:

9.1 Civic leadership. Does the model provide for effective place-based leadership? Leadership in this context includes the capacity to develop a vision for the combined authority coupled with a governance arrangement that can ensure effective and accountable delivery of this vision.

9.2 Considered judgement. Does the model support high quality decision-making processes that go beyond discovering the self-interested preferences of various stakeholders? The importance of creating sound arrangements for the development of deliberative local democracy is difficult to overstate.

9.3 Transparency and efficiency. Transparency is fundamental not only in building trust and confidence in the political process, but also in ensuring efficiency. Does the model make it crystal clear (to other councillors, professionals and the public at large) who is making decisions, on what issues, when, why and how?

9.4 Accountability and legitimacy. Does the model ensure that decision-makers are held to account? More specifically, are sound arrangements in place to ensure that there is effective scrutiny of decision-making by those seeking to hold the executive to account (non-executives, the public, other parties)?

9.5 Inclusive public involvement. Does the model provide for effective public involvement in decision-making? A criticism of combined authorities, one that is already well established, is that they have a tendency to emasculate public debate about important public policy choices. Processes of decision-making need to ensure that the voices of citizens are included.

9.6 Inclusive business involvement. Does the model provide for effective involvement of the voices of business interests? What role will Local Enterprise Partnerships (LEPs) play in the governance arrangements?

10. Comments on the proposed criteria are welcome. Do these criteria provide a sound basis for evaluating the various models?

Apology

Professor Hambleton sends his apologies to the meeting as he is out of the country due to a prior commitment. He looks forward to receiving feedback on these initial ideas.

Appendix: Project Brief, Project Outline and Project Phasing

Project Brief

1. The Project Brief requires the final report to provide:
 - 1.1 Descriptions of mayoral and non-mayoral governance arrangements not already in use in English local government. This should cover powers, scrutiny, accountability and decision-making arrangements
 - 1.2 Brief analysis of the strengths and weaknesses of the models described above
 - 1.3 A description of the Mayor of London model, to the same specification
 - 1.4 An executive summary and key points for councils to consider
2. The ethos to be adopted in this study is to combine a spirit of adventurous enquiry with a solid commitment to providing practical guidance to councils, including councils in very different situations. The Government is proposing far reaching changes to the governance of England and these changes are being introduced at great speed. The study is intended to help councils to bring their own ideas to the conversation about governance arrangements for combined authorities.
3. The Government has introduced some fresh thinking on how to improve local governance via a series of 'devolution settlements', and the new legislation creates space for democratic innovation. However, as the recent report from the House of Commons Communities and Local Government Committee

21 March 2016

notes, the debate about governance arrangements has tended to become polarised into two broad camps:

- 3.1 those for and those against the introduction of directly elected mayors. (1)
The Government has consistently linked directly elected mayors to devolving a full package of powers to local areas. However, many of those giving evidence to the Committee felt that the introduction of a directly elected mayor did not represent the best way forward. In the light of the evidence submitted to it, the Committee concluded that:
- 3.2 'Local authorities should be allowed to decide whether or not they wish to have an elected mayor. Those which do not want an elected mayor, but nonetheless want substantial devolved powers, should be allowed to propose an equally strong alternative model of governance' (p 32)
- 3.3 Members of Parliament are, then, inviting the Government to allow new models of governance to emerge as part of the devolution strategy. This study takes account of this political context. It aims to help elected local authorities take steps to 'enlarge' the conversation relating to devolution and, as part of this, to offer a variety of solid proposals on how to improve the institutional design of local democracy.

Project outline

4. The four main elements in the study are:
 - 4.1 A scoping exercise to identify possible models of governance
 - 4.2 Consideration of criteria (to assess the models)
 - 4.3 Consultation on strategic choices
 - 4.4 Write-up and development of a user-friendly online resource for councils

Scoping exercise

5. This will involve desk-based, international analysis of alternative mayoral and non-mayoral models of governance currently in use in local government. It will include the mayoral model of governance currently operating in Greater London. To make this task manageable a small number of illustrative models will be identified (in consultation with the LGA). A useful starting point is provided by Professor Hambleton's new book, *Leading the Inclusive City*. (2)

Consideration of criteria for evaluation

6. A second task is to develop a set of robust criteria for evaluating the alternative models of governance. Previous work on the evaluation of governance models can assist in this task. For example, an early effort to evaluate local government management models, *Community Leadership and Representation: Unlocking the Potential*, identified six criteria: 1) leadership in the community, 2) effective representation of the citizen, 3) clear accountability, 4) effectiveness in decision-making and implementation, 5) effective scrutiny of policy and performance, and 6) responsiveness to local people. (3) These criteria have been used in a recent

21 March 2016

evaluation of mayoral governance in Bristol carried out by Professor Hambleton and Dr David Sweeting. (4) In addition, the Centre for Public Scrutiny has developed 'principles of good governance' that resemble the criteria mentioned here; these principles feature in the Local Government Association's report on *English Devolution*. (5)

Consultation on strategic choices

7. In the light of the previous two steps, and taking account of the new legislation, the main strategic choices facing those concerned with the design of combined authority governance arrangements will be set out. It is to be expected that elected councillors in different combined authority areas could well have different views about the kind of combined authority they wish to create. The strategic choices will reflect different ideas about the guiding principles that should dominate institutional design.

Write-up and development of a user-friendly online resource

8. The final stage of the project involves preparing a short, readable report. The report will contain an executive summary and will identify the key points for councils to consider. The report will also provide the basis for the preparation of an online resource that will be designed to help councils create and/or modify their combined governance arrangements.

Phasing of the work

9. The project will proceed through three main phases:

9.1 Scoping study and development of draft criteria

17-29 February 2016

This short phase will involve an intensive effort leading to the preparation of a draft *Initial Ideas Paper* for consideration by LGA Lead Members of the City Regions Board on Monday 29 February.

9.2 Consultation and reflection

29 February - 24 March 2016

This phase creates space for evidence to be gathered and soundings to be taken, including at the LGA City Regions Board on 21 March, and for new ideas to emerge.

9.3 Write-up and development of user-friendly online resource

29 March (after Easter) - 22 April 2016

This final phase involves taking account of the feedback on the *Initial Ideas Paper*, preparation of draft text, redrafting and preparation of online resource.

21 March 2016

References

- 1) House of Commons Communities and Local Government Committee (2016) *Devolution: the next five years and beyond*. First Report of Session 2015-16. HC 369, 3 February, pp 30-32. London: The Stationery Office.
- 2) Hambleton R. (2015) *Leading the Inclusive City. Place-based innovation for a bounded planet*, pp 181-188. Bristol: Policy Press.
- 3) Working Party on the Internal Management of Local Authorities in England (1993) *Community Leadership and Representation: Unlocking the Potential*. June. London: The Stationery Office.
- 4) Hambleton R. and Sweeting D. (2015) *The Impacts of Mayoral Governance in Bristol*. Bristol: University of Bristol. More: <http://bristolcivicleadership.net>
- 5) Local Government Association (2015) *English Devolution. Local solutions for a successful nation*. May, p 16 London: Local Government Association.

Author

Robin Hambleton, Professor of City Leadership, University of the West of England, Bristol and Director, Urban Answers



Employment and Skills: Update Paper

For discussion and direction.

Summary

Board members agreed that employment and skills should continue to be a key lobbying focus for the organisation, and one which should be developed alongside the People and Places Board. This paper updates the Board on latest Government announcements and LGA activity and suggests options for future activity in this area.

Recommendation

Devolving employment and skills levers and funding to groups of councils is a longstanding LGA lobbying aim and one of the top 'asks' in councils' devolution bids. This paper seeks Members' steer on current and proposed activity to influence this.

Action

Officers to take forward as directed by members.

Contact officer: Jasbir Jhas, Senior Adviser

Email: jasbir.jhas@local.gov.uk

Phone: 020 7664 3114

Employment and skills: update paper

Summary

1. Devolving employment and skills levers and funding to groups of councils is a longstanding LGA lobbying aim and one of the top 'asks' in councils' devolution bids. This requires the sector negotiating with Whitehall on an individual devolution deal basis and at scale. The LGA has a clear role in supporting councils in both. This paper seeks Members' steer on current and proposed activity to influence this.

The Government's employment and skills agenda

2. Over the course of this Parliament, the Government has committed to achieve full employment, deliver three million new apprenticeships, restructure and localise the skills system, reduce worklessness by halving the disability employment gap, supporting more people with mental health and long term 'treatable' conditions into work, and make young people 'earn or learn'. These reforms need to be delivered within reduced departmental budgets, and require careful and planned use of resources.
3. While the Government recognises that 'local' matters, a continued silo approach in Whitehall – via DWP, BIS and DfE – to employment and skills, perpetuates disparate funding streams, initiatives and institutions, which lack coherence on the ground or relevance to local economic need, and ill-serve people and places which most need it.

The role for councils

4. 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.
5. To achieve that, we need a **devolved mainstream skills system** – further education, 16-19, adult skills, apprenticeships, higher skills, learner loans and careers advice and guidance – to prepare people to enter and progress into jobs market. Alongside this, a **locally responsive re-engagement system** – commissioning Jobcentre Plus and back to work schemes – is critical to help people who require extra support to enter, get back into, or progress in work.
6. In the LGA Spending Review submission, we called on the Government to enable local areas to manage the strategic local integration of public funds so they can plan, integrate and deliver welfare support, employment, and skills provision locally. In return, councils would help deliver Government priorities to target skills spending to local economic need, boost apprenticeships, tackle worklessness, increase employment and stimulate local economies.

7. A growing number of areas are benefitting from elements of devolved funding through City, Growth and Devolution Deals with more expected in the March budget. Councils' pitches within the most recent bidding round included:
 - 7.1 *Employment*: devolved employment support for the long term unemployed as a minimum, and oversight of JobCentre Plus (JCP).
 - 7.2 *Skills*: local commissioning of Education Funding Agency (EFA) and Skills Funding Agency (SFA) budgets to simplify and localise the Further Education system across all age groups, as well as apprenticeships and all information, advice and guidance.
8. Greater Manchester's Working Well, London's Working Capital and Suffolk's MyGo demonstrate councils' ambition and capability with devolved powers and funding. But all areas want to secure funding channelled into one place with local influence over institutions to plan more effectively. This requires the sector negotiating on an individual devolution deal basis and at scale. This paper seeks Members' steer on current and proposed activity to influence this.

Update on current work

Employment support

9. The Spending Review (November 2015) announced a new specialist Work and Health Programme (WHP) – £130 million per year – for claimants with health conditions or disabilities and those unemployed for over two years, to replace the Work Programme (WP) and Work Choice in 2017. Jobcentre Plus will support all other JSA claimants up to their WHP eligibility.
10. Prior to the Spending Review, the [LGA put forward its own a proposal to Ministers for devolved employment support](#), integrated with health and skills interventions, using a case worker approach, eligible for up to one million of the most disadvantaged jobseekers including Employment and Support Allowance (ESA) work ready claimants. Our proposal is being used by various Whitehall departments, councils, stakeholders and think tanks to inform next steps in the WHP design and local government's role within it. However our longstanding concerns - insufficient funding, deal-based rather than England wide, councils given a peripheral role rather than commissioner – are now surfacing. We need to lobby for:
 - 10.1 Clearer and faster devolution beyond the seven city region areas which DWP has agreed to work with within the context of their devolution deals. Our proposal was for this to be level of localism to be applicable to all groups of councils including non-metropolitan areas across England so they could lead commissioning.
 - 10.2 Increasing £130 million WHP budget line by combining Whitehall budgets (additional Work and Health Unit fund plus BIS and DH skills / health funding) otherwise our concern is that the programme will help too few claimants or interventions may fall short of the support they need. The predecessor WP was

£600 million per year.

- 10.3 Exploring ways with DWP how those areas outside of the devolution deals can influence the national WHP design. This means bringing councils together with DWP (March to October) to identify ways to influence tenders, and map how local services / funding and WHP can be aligned more closely.
11. The newly established Work and Health Unit (WHU) responsible for integrating health and employment will soon launch a White Paper with proposals on how this can be achieved. The LGA will respond, and has already discussed with the Unit the role councils can play in integration (above proposal) and secured a place on the Unit's cross Whitehall Programme Board. **Members are invited to comment on steps to move this work further and faster.**

Skills:

12. The Government is making significant changes to skills policy and funding. While the LGA has secured some initial wins, more remains to be done to ensure the changes work for all cities, and that powers and funding are devolved in a joined-up way.
13. **Area Based Reviews** (ABR) are tasked with making the Further Education system financially resilient and responsive to local economic need. Board members raised at the last meeting that councils are keen to improve the whole system, and want Reviews to capture a broader range of educational establishments, not just colleges. Some wave 1 areas are nearing conclusion. Members may wish to consider what learning can be shared with subsequent waves.
14. A new **Adult Education Budget** (£1.5 billion per year) will consolidate current skills funding for adults – Adult Skills Budget, Community Learning, and Discretionary Learner Support. Funding will no longer be qualification based and combined authorities will negotiate how funding is spent. Devolution deal areas will pilot this in 2016/2017 initially through a block grant to FE colleges, with SFA and local areas co-commissioning. The intention is to move to full local commissioning with locally negotiated funding allocations by 2018/2019. **The LGA successfully lobbied for devolved adult skills to be integrated alongside WHP employment support so local areas can coordinate interventions for jobseekers. Further work is needed to ensure devolved responsibilities for FE (readiness criteria) are proportionate to the amount of AEB being devolved consideration. The LGA should also explore what happens for those outside of a devolution deal.**

Apprenticeships

15. While the LGA supports the Government's pledge of **three million Apprenticeships** by 2020, we lobbied against centrally imposed targets and the Levy applying to the sector, given this will cost councils £600 million per year. This national approach to this policy is at odds with the localist approach BIS is taking on adult skills (above).

16. All public bodies including councils with over 250 staff will be set a 2.3 percent apprenticeship target per year. It is currently based on headcount, which would have a cost to councils of £400 million per year. The LGA will lobby for it to be based on FTE to lessen the impact on councils. There is a wider concern that that the target is unworkable and unfair, and our preferred lobbying approach in the Bill was for it to be scrapped.
17. Taking effect from April 2017, an Apprenticeship Levy, expected to raise £3 billion by 2019/20 will pay for this, while the assumption is that state funding will be phased out. All public and private employers with a pay bill of over £3 million, including councils, will contribute 0.5 percent of payroll. This will cost councils over £200 million per year. To ensure the Levy is locally targeted, the LGA is calling for all public (and possibly private contributions) to be locally pooled, rather than centrally controlled by HMT, so local areas assess demand by sector and employer type, commission provision, and promote the Fund locally.

Future activity

18. To add value to our ongoing lobbying work (above), below are further suggestions for work to start April 2016.

Influence the debate on the future Jobcentre Plus

19. There is potential for significant changes to the way Jobcentre Plus (JCP) operates in the future when DWP's PFI contract expire in 2018. The LGA is already pushing for greater number of areas to benefit from co-location and develop thinking on integration. To ensure local government has a strong coordinated voice to influence the debate, it is suggested that LGA initiate research on international comparisons on locally accountable public employment services, and consider how efficiencies can be made between JCP and the National Careers Service locally alongside other public agencies.

A whole system skills commissioning role

20. Given areas are at different stages in negotiating skills devolution, it is suggested we focus our future work on

20.1 Pilot work / research to identify councils commissioning / brokering role in maximising opportunities for adults to improve their skills through the extended learner loan system

20.2 Help councils maximise their role in the apprenticeship target and levy (April 2017)

21. **Members' views are sought, particularly on the balance of activity between detailed policy work and media and lobbying activity. It is also recommended that Lead Members of both the City Regions and People and Places meet to discuss and agree a programme of work for 2016/2017.**



City Regions Board

21st March 2016

Current LGA support activity	Audience	Intended outcome	Timing / dissemination
Publications and reports			
Governance models: review possible executive arrangements and different mayoral models (Professor Robin Hambleton)	Senior officers and members in councils, especially those in combined authorities.	Raising awareness of different models of governance; sharing knowledge on how to evaluate different models.	Report to LGA end April, dissemination online and through existing events in June/July
Analysis of the implications of the Cities and Local Government Devolution Act 2016 for the formation of combined authorities and practical advice for those considering a CA (supplier tbc)	Senior officers and members in councils, especially those considering combined authorities.	Councils are better informed on the practicalities of forming a combined authority.	Report to LGA early May, dissemination online and through officer network in first instance.
Briefing note on health devolution and the implications for providers and the VCS (builds on briefing event on 1 March)	Councils, health partners, VCS groups	Better awareness of how health and care devolution fits into the wider transformation landscape. Co-branded with NHS Clinical Commissioners and NHS Confederation.	March; dissemination online and through relevant networks.
Sharing the experience of Greater Manchester council and health partners of their health and care devolution experiences (from roundtable event Feb 2016).	Councils with an interest in health and care devolution.	Learning is shared across the sector. Co-branded with Greater Manchester Combined Authority, Greater Manchester NHS and Public Sector Transformation Network.	March; dissemination online
LGA DevoNext hub	Wide	LGA continues to be the leader in sharing knowledge on devolution in England.	Ongoing
Interviews and analysis of devolution deal process to date	Members and officers in councils, LEPS, civil servants	Learning from frontrunner deals is captured; recommendations made	Report to LGA end March. Publication likely post

(New Economy)	and Minister.	for improving the process where possible.	purdah. Depending on finding we may consider a local/national roundtable to discuss next steps.
Think pieces: the role of communities and the VCS in devolution (partner tbc)	Councils and voluntary and community organisations	Good practice is shared and councils are better equipped to engage their community representatives on devolution.	Report to LGA in the summer
Work with places			
Bespoke engagement with places on negotiations	Demand-driven	Places benefit from the most up to date information on devolution and 'critical friend' challenge.	Ongoing
Governance support to councils (Centre for Public Scrutiny)	Council members and officers	Some places are directly supported to develop their governance arrangements and learnings are shared with all.	Report to LGA at end March; dissemination online; workshop with devolution network planned; session at member event planned.
Higher education: programme of engagement with Universities UK	Initial work focused on small group of leaders from both sectors. Lessons to be shared with councils, combined authorities and LEAs.	Better understanding of how universities and higher education partners can play a role in place-based services.	Scoping meeting in March; potential for 12-month programme
Lobbying			
Engaging with MPs to share key messages about devolution.	All MPs	MPs are better able to engage constructively in local discussions.	To align with first annual devolution report from the Secretary of State.
Events			
Officer devolution network	Council officers involved in	Learning and advice is shared	Next meeting 28 April.

	devolution deals	between peers. Knowledge and information can be targeted to key individuals.	Ongoing activity, including thematic workshops.
Member devolution event	All members, especially backbench members	Members are better informed about the national context on devolution and can engage more effectively in local conversations.	21 June
Joint event with NALC (National Association of Local Councils)	Principal and town and parish councillors	The sector is aware of the opportunities for onward devolution to town and parish councils. Town and parish councils better understand the wider local government context.	1 June (tbc)
Devolution sessions at LGA annual conference	All delegates	Specifics are still being scoped out.	5-7 July
Local devolution communication events.	On demand from places	Comms officers are better able to communicate with their residents about devolution.	Three events in train for the spring.
Tools			
Analysis and sharing of tax and spend data tool for all councils, plus guides on how to use effectively	Council officers negotiating or implementing a devolution deal or working on public service transformation	Councils are better able to make the case for transforming public services	LGA currently reviewing first drafts. Dissemination online once QA checks have been completed.
Local devolution communications tools.	Comms officers in councils and combined authorities.	Comms officers are better able to communicate with their residents about devolution.	Project is currently being scoped.
LGA corporate work			
Ongoing development of the	Various	Various, with a focus on ensuring	Ongoing in anticipation of

broader support offer on devolution to ensure it remains relevant to all places.		our offer remains relevant to councils at all stages of the process.	RSG.
Combined authority working group	Internal	The LGA reflects the changes in local government.	Reports to Leadership Board in April.

Document is Restricted

Note of last City Regions Board meeting

Title: City Regions Board
Date: Monday 25 January 2016
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	Welcome and Declarations of Interest Sir Richard Leese welcomed board members and noted apologies. There were no declarations of interest.	
2	RSA Sir Richard welcome Charlotte Alldritt, Director of Public Services and Communities at the Royal Society for the Encouragement of Arts, Manufactures and Commerce (RSA), to the meeting. The RSA had approached the City Regions Board with regards to sponsorship of an independent commission on economic inclusion which would examine and support cities in the next stage of the devolution process. Charlotte discussed how the commission would examine the social challenges of cities, exploring reasons for differing levels of economic potential and helping as many people as possible to benefit from economic growth. The commission would have one chair and eight or nine commissioners. It would recognise the interrelationship between cities and their surrounding areas and would be a cross party, non-political body. It would produce a number of interim reports and a final report, setting out key policy recommendations. The commission would arrange seminar series and engagement led activities. As ideas were still being developed at this stage, Charlotte requested that board members feedback on proposed ideas for the commission, including its name. In the discussion which followed, board members raised the following points: <ul style="list-style-type: none">• It was important that the commission built on and did not duplicate issues which had been covered before. The report produced by Lord O'Neill had touched on similar areas, and therefore, it would	

be important to link the reports together and consider how they would reference each other. The approach and methodology in part four of the appendix was highlighted as particularly important when considering how devolution would affect the lives of constituents represented by board members and in understanding what was preventing some areas taking advantage of the devolution offer.

- The commission's methods of direct engagement needed to be carefully considered as some communities had already been asked many questions by bodies working on similar areas. A key component for making the commission work was to co-ordinate it with work already happening and avoid a fragmented approach. Members were assured that though the commission would take account of other work going on, it would remain independent.
- The wider LGA including all regions and cities would need to have the opportunity to feed into the report. Individuals appointed to the commission should have a wide range of experience and include those from all areas of the country. It would also be important to get the perspective of individuals at public service level. Board members were assured that this would be the case.
- There was concern that the language currently used to explain what the commission could achieve did not do it justice. The commission needed to clarify what it would try to influence. The case had to be made for doing things differently. "Good, well directed growth" was suggested as an example of how language could be positively used.

Decisions

The City Regions Board:

1. **Noted** the report.
2. **Agreed** it would contribute to setting up the commission.

3 LGA support offer - devolution

Rebecca Cox, Principal Policy Adviser, introduced the paper. She asked that members give officers a steer on how the LGA's support offer on devolution could progress, asking which areas support was needed (such as on governance or knowledge sharing). She advised board members that there would be an event in June and that it would be useful to have guidance on its content.

In the discussion which followed, board members raised the following points:

- As it was clear there were shared elements to devolution deals, the LGA should focus on information it could provide on those elements so that all councils were able to take up the most ambitious offer possible.

- It would be useful to know the progress of all devolution deals and to have examples of how things would improve in specific areas as a result.
- As devolution would now be a significant part of local government, it would be useful if the topic was embedded in the LGA's training programmes. Councillors would need the right skills to ensure they were equipped for changes.
- Members commended the planned member working group on how the LGA should work with combined authorities and Mayors as part of its governance arrangements.
- The LGA should play a role in developing the scrutiny arrangements of combined authorities. It was discussed how backbench councillors could be engaged in the scrutiny process and a piece of work on scrutiny was requested.
- There needed to be a wider range of members involved in the devolution journey and it was suggested that information on devolution should be made more accessible to councillors. The LGA hub was not necessarily best placed to provide support to members, and the training focus needed to be for both councillors and officers. Those in different areas also needed to learn from each other and a system where members could talk to each other and share experiences was suggested.
- There had been complexities in some areas when forming combined authorities and there was concern that there were still legal issues in the devolution bill which members had no collective understanding of.
- The asks of and successes of devolution deals should be made more available to members so that there could be consistency in requests to government when negotiating devolution deals. Authorities would then be able to learn from each other.

Actions:

1. LGA officers to include scrutiny in the wider governance work.
2. With reference to existing devolution deals, LGA officers to share as far as possible the proposals made by places.

Decisions:

The City Regions Board:

1. **Noted** the report.
2. **Agreed** the next steps in taking forward the LGA's devolution support offer.

4 Devolution within England

Rebecca Cox, Principal Policy Adviser, advised the board that the Devolution Bill was expected to receive royal assent shortly. She also highlighted that the Buses Bill would be of interest to the board.

In the discussion which followed, board members raised the following points:

- There was a clear skills shortage within local government in some areas. For example, a lot was spent on agency workers in social care. Skills training needed to be invested in in the localities.
- Members discussed the complexities of agreeing devolution deals in two tier areas and the implications of the recent amendments to the Bill. They asked officers to continue to monitor progress in non-metropolitan areas and to share learning where appropriate.
- Members felt that combined authorities would be a significant part of the future and asked that the LGA look at researching models of governance that could help new combined authorities in their development. Members reiterated the LGA's line that models of governance should not be a one size fits all proposition. Members also discussed how transport and police areas would work with combined authorities.
- The complex relationship between councils and MPs was discussed. In some cases, it was felt the latter had limited knowledge of the local communities and devolution debate. This needed to be addressed as it could compromise work already achieved.
- It was emphasised that it would be important to engage all people in areas considering devolution deals. Everyone would need to be involved in the process as there was more to be gained by working together. It was argued that it would be important for the Secretary of State to hold this line.

Members asked officers to refresh the work of a few years ago looking at functional economic areas. It was also argued that fiscal devolution beyond business rates needed to be considered.

Actions:

1. LGA officers to continue to monitor devolution deals and support authorities where necessary.
2. LGA officers to refresh their map of functional economic areas.
3. LGA officers to look at fiscal devolution beyond business rates.
4. The LGA to continue to develop its support offer and integrate this with its broader improvement work.

Decisions:

The City Regions Board:

1. **Noted** the report.
2. **Agreed** the next steps in taking forward the LGA's campaign for devolution.

5 Local Government Finance Update

Bevis Ingram, Senior Adviser, summarised the LGA's response to the Spending Review/Local Government Finance Settlement. He advised the board that analysis on the impact of this had been carried out and that a response had been submitted to the Department of Communities and Local Government.

In the discussion which followed, board members made the following points:

- There was a tendency to see the present time as year 0, when in fact this was the sixth year of local government spending cuts.
- Some members felt the term flat cash was misleading, as it suggested the government was giving local government more money. Members requested that the LGA take this into consideration.
- It was felt that raising council tax by 2% would not be enough to help address rising adult social care costs.
- There needed to be a focus on the formula for business rates that the Communities Secretary had requested and ensure that this would work for local government. It was important to make this work for the future and come up with a single voice in this area.
- It was argued that a fair system needed to have an element of redistribution in it, a definition of what needed to be spent and an understanding of a council's ability to raise funds. Although a 2% rise in council tax would be quite significant for the shire counties, it was important not to underestimate how difficult it was going to be in some areas. More work needed to be undertaken in this area.

Decisions:

The City Regions Board:

1. **Noted** the update.

6 Meeting with Secretary of State Greg Clark MP - 13 January 2016

Board members **agreed** that the note summarised the meeting accurately.

Members raised the following points regarding the meeting:

- Although it was difficult to get to a meeting when only 48 hours' notice was given, it was acknowledged that the Communities Secretary had been under substantial pressure and that it was important he continued to receive support from urban areas.
- Problems around the definition of reserves was raised, as sometimes councils were unable to draw on money that was considered a reserve. Money that belonged to schools, for example, was already set aside and the Housing Revenue Account was not available to use for the general fund, but showed as a reserve until it was spent. It was requested that work should be undertaken to make a more realistic point on this.

Mark Lloyd, Chief Executive of the LGA, advised the meeting that although there could be changes to the draft settlement, they would be marginal. The Communities Secretary had found it useful to meet with councillors to talk about the settlement. Mark advised the board that the settlement had included a postponement option and a redistribution option. As the latter could bring more money into the formula if the better care fund was introduced earlier, it was important that the Communities Secretary should hear councillors' voices on this.

Members were advised that the Communities Secretary was expected to publish around the 8th February (about the time of the parliamentary break).

Decisions:

The City Regions Board:

1. **Noted** the minutes and **agreed** they were an accurate summary of the meeting.

7 Note of the Previous Meeting

Decisions:

The City Regions Board:

Noted and **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
	Cllr Abigail Bell	Hull City Council
Members	Cllr Sean Anstee	Trafford Metropolitan Borough Council
	Cllr Robert Alden	Birmingham City Council
	Cllr Donna Jones JP	Portsmouth City Council
	Mayor Jules Pipe	Hackney London Borough Council
	Mayor Joe Anderson OBE	Liverpool City Council
	Cllr Jon Collins	Nottingham City Council
	Cllr Sir Albert Bore	Birmingham City Council
	Cllr Nick Forbes	Newcastle upon Tyne City Council
	Cllr Simon Letts	Southampton City Council
	Cllr Judith Blake	Leeds City Council
	Cllr Iain Roberts	Stockport Metropolitan Borough Council
Apologies	Cllr John Beesley	Bournemouth Borough Council
	Cllr Peter Rankin	Preston City Council
	Cllr Helen Holland	Bristol City Council
	Cllr Tudor Evans OBE	Plymouth City Council
	Cllr Roger Lawrence	Wolverhampton City Council
	Cllr Ann Lucas OBE	Coventry City Council



THE PALACE OF WESTMINSTER AND THE PARLIAMENTARY ESTATE

Directions by Public Transport



By Rail
Nearest stations are Charing Cross,
Victoria and Waterloo (20 - 30 minutes walk).



Underground
Westminster (Circle, District and Jubilee Lines).



By Bus
Buses 3, 11, 12, 24, 53, 87, 88, 148, 159, 211, 453, N2,
N3, N11, N87, N136, N155, N159 & N381 all stop nearby.



Use of public transport is advised as
the Abingdon Green car park is often full
and meter parking is expensive and scarce.



Santander Cycle Hire Docking Station

KEY	
(A) NORMAN SHAW NORTH	(1) NORTH ENTRANCE (VEHICLES ONLY)
(B) 1 DERBY GATE	(2) CANON ROW PASS OFFICE
(C) 1 CANON ROW	(3) HOUSES OF PARLIAMENT SHOP
(D) NORMAN SHAW SOUTH	(4) PORTCULLIS HOUSE MAIN ENTRANCE
(E) PORTCULLIS HOUSE	(5) TOURS TICKET OFFICE
(F) 1 PARLIAMENT STREET	(6) CARRIAGE GATES
(G) PALACE OF WESTMINSTER	(7) MEMBERS' ENTRANCE
(H) PARLIAMENTARY EDUCATION CENTRE	(8) CROMWELL GREEN (VISITOR) ENTRANCE
(J) MILLBANK HOUSE	(9) ST. STEPHENS ENTRANCE
(K) 7 MILLBANK	(10) PEERS' ENTRANCE
	(11) BLACK ROD'S GARDEN PASS OFFICE
	(12) EDUCATION CENTRE MAIN ENTRANCE
	(13) MILLBANK HOUSE MAIN ENTRANCE

