

People & Places Board

Agenda

Tuesday, 1 November 2016
1.00 pm

Council Chamber, Museum of the Order of
St John, St John's Gate, 26 St John's Lane,
London, EC1M 4DA

Welcome!

Why have the LGA's Headquarters moved?

The LGA has temporarily relocated from Local Government House (LGH) in Smith Square to Layden House in Farringdon, effective from Monday 31 October 2016. This is to allow extensive refurbishment work to be carried out to LGH.

The refurbishment works will see the ground floor conference centre and all meeting rooms fully refurbished. Floors 1, 2 and 3 will be upgraded and released for commercial letting to enable the LGA to maximise the income from this building as part of its drive for financial sustainability. A new and larger Open Council will be located on the seventh floor. The refurbishment is expected to last for nine months and we expect to be back in LGH by September 2017.

We appreciate your understanding and flexibility during this time.

People & Places Board
1 November 2016

There will be a meeting of the People & Places Board at **1.00 pm on Tuesday, 1 November 2016** Council Chamber, **Museum of the Order of St John**, St John's Gate, 26 St John's Lane, London, EC1M 4DA.

Tea, coffee and a sandwich lunch will be available at 1.00pm

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:

The group meetings will take place before the board meeting. Please contact your political group as outlined below for further details.

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.grouplga@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Location:

A map showing the location of the Museum of the Order of St John is printed on the back cover.

LGA Contact:

Eleanor Reader-Moore
eleanor.reader-moore@local.gov.uk, 0207 664 3383

Carers' Allowance

As part of the LGA Members' Allowances Scheme a Carer's Allowance of up to £7.20 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.

Social Media

The LGA is committed to using social media in a co-ordinated and sensible way, as part of a strategic approach to communications, to help enhance the reputation of local government, improvement engagement with different elements of the community and drive efficiency. Please feel free to use social media during this meeting. **However, you are requested not to use social media during any confidential items.**

The twitter hashtag for this meeting is #lgapp

People & Places Board – Membership 2016/2017

Councillor	Authority
Conservative (12)	
Cllr Mark Hawthorne MBE (Chairman)	Gloucestershire County Council
Cllr Gillian Brown (Vice Chairman)	Arun District Council
Cllr Philip Atkins OBE	Staffordshire County Council
Cllr Derek Bastiman	Scarborough Borough Council
Cllr Roger Blaney	Newark & Sherwood District Council
Cllr Paul Carter CBE	Kent County Council
Cllr Chris Hayward	Hertfordshire County Council
Cllr Daniel Humphreys	Worthing Borough Council
Cllr Kenneth Meeson	Solihull Metropolitan Borough Council
Cllr John Osman	Somerset County Council
Cllr Blake Pain	Harborough District Council
Cllr Ken Turner	Pendle Borough Council
Substitutes	
Cllr Philip Ham	Mendip District Council
Cllr Robin Howe	Huntingdonshire District Council
Cllr Chris Saint	Stratford-on-Avon District Council
Labour (4)	
Cllr Michael Payne (Deputy Chair)	Gedling Borough Council
Cllr Vince Maple	Medway Council
Cllr Jennifer Mein	Lancashire County Council
Cllr Caitlin Bisknell	Derbyshire County Council
Substitutes	
Cllr Leigh Redman	Somerset County Council
Cllr Frank Radcliffe	North Hertfordshire District Council
Independent (3)	
Cllr John Pollard (Deputy Chair)	Cornwall Council
Cllr Chris Townsend	Surrey County Council
Cllr Amanda Martin	Council of the Isles of Scilly
Substitutes	
Cllr Helen Grant	North Yorkshire County Council
Liberal Democrat (3)	
Cllr Heather Kidd (Deputy Chair)	Shropshire Council
Cllr Stan Collins	South Lakeland District Council
Cllr Sarah Osborne	Lewes District Council
Substitutes	
Cllr David Bill MBE	Leicestershire County Council

People and Places Board - Attendance 2016-2017

Councillors	29/9/16	
Conservative Group		
Mark Hawthorne MBE	Yes	
Gillian Brown	Yes	
Philip Atkins OBE	Yes	
Derek Bastiman	Yes	
Roger Blaney	No	
Paul Carter CBE	Yes	
Chris Hayward	No	
Daniel Humphreys	Yes	
Ken Meeson	Yes	
John Osman	No	
Blake Pain	Yes	
Ken Turner	Yes	
Labour Group		
Michael Payne	Yes	
Vince Maple	Yes	
Jenny Mein	Yes	
Caitlin Bisknell	No	
Independent		
John Pollard	Yes	
Chris Townsend	No	
Amanda Martin	Yes	
Lib Dem Group		
Heather Kidd	No	
Stan Collins	Yes	
Sarah Osborne	Yes	
Substitutes/Observers		
David Bill	Yes	
Leigh Redman	Yes	

Agenda

People & Places Board

Tuesday 1 November 2016

1.00 pm

Council Chamber, Museum of the Order of St John, St John's Gate, 26 St John's Lane, London, EC1M 4DA

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Date of Next Meeting: Thursday, 26 January 2017, 1.00 pm, Rooms A&B, Ground Floor, Layden House, 76-86 Turnmill Street, London, EC1M 5LG

Note of last People & Places Board meeting

Title: People & Places Board
Date: Thursday 29 September 2016
Venue: Smith Square 1&2, Ground 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, Apologies and Declarations of Interest The chair welcomed members and listed apologies. There were no declarations of interest.	
2	Minutes of the Last Meeting It was noted that Cllr Leigh Redman needed to be marked as having attended as a substitute at the last board meeting. It was agreed that the MSO would amend this. Action: 1. MSO to mark Cllr Leigh Redman as in attendance in the minutes for the last board meeting. Decision: 1. Members agreed the minutes as an accurate summary of the meeting.	
3	Membership and Terms of Reference The chair introduced the item. The point was made that although the board largely represented non-metropolitan area (as stated in the report), it also covered metropolitan areas. Decision: 1. Members noted the membership of the board and agreed the Term of Reference.	
4	People and Places Work Programme 2016/2017	

Rebecca Cox, Principal Policy Adviser, introduced the item. She asked members to note the proposed 2016/2017 work programme and suggest any additions.

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

- Housing and the NHS (health) could be included as topics. A discussion followed on which LGA boards were looking at these issues and if there was a mechanism for feeding back on these.
- There were differences between metropolitan and non-metropolitan areas and the board should consider looking at different approaches for these areas.
- Health, education and accountability in Clinical Commissioning Groups was briefly discussed.

It was agreed that officers would consider how best to keep members informed on the work programmes of other LGA boards and wider issues that affected rural areas.

Decision:

1. Members **agreed** the work programme.

Action:

1. Officers to discuss with the Chairman of the Board to determine the best approach to keeping members apprised of the work being undertaken by other LGA boards.

5 Devolution Update

Philip Clifford, Senior Adviser, introduced the item. The paper gave an overview of current devolution work which had taken place since the last board meeting. Since then, the LGA had commissioned research from New Economy Manchester, and were now looking at engaging the community in the devolution process.

Going forward, the LGA's submission on the autumn statement would focus on priorities for devolution, industrial strategy and adult social care all of which directly impact on rural areas. In the coming year, work would potentially focus on fiscal devolution, trade and inward investment, the governance digital technology and the role of LEPs.

Members were informed that the Secretary of State for Communities and Local Government had been invited to attend a board meeting to discuss devolution and the progress of deals in rural areas.

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

- There was concern around the lack of progress of devolution in two-tier areas. Members urged the LGA to continue to press the

government for clarity on this issue and on the debate around elected mayors.

- Referring to point 10 of the paper, members asked who the research produced by the New Economic Foundation would be shared with and who would attend the event on the 17th October. Officers responded that the work would be shared on the LGA's 'Devohub' website and that an invitation to the event would be circulated to Board members.
- Members discussed the position of the Prime Minister and the new Chancellor of the Exchequer on devolution and suggested that the board invite the Communities Secretary to clarify this. Proposals for him to visit all devolution deal areas were also discussed.
- The LGA could do more lobbying work to help non-metropolitan areas take devolution deals forward. Members felt not enough was being done collectively. The devolution green paper produced for the LGA 2016 conference (which was not taken forward) was discussed.
- Governance arrangements were discussed. Members felt the government was unlikely to agree to different governance models unless there was a strong alternative model to the mayor. It was suggested there should be a discussion on the different arrangements government had agreed to.
- The mayoral problem was cited as a reason for the lack of momentum with devolution deals. There was huge potential to drive change but the debate on governance models had halted the process. Members felt the missed opportunities relating to the slow progress in devolving responsibilities to non-metropolitan areas could be highlighted.
- There would also need to be a reflection on the problems the EU exit may cause for devolution.
- Members discussed forthcoming changes in industrial strategy for local government and asked where LEPs would sit in devolution deals. This was currently unclear.
- Members expressed concern about confusion caused by having several different governing bodies making policies in one area as a result of the devolution process.
- Members asked about current support for devolution from MPs.
- The LGA could make a point to government about the lack of citizen participation in devolution and that the process needed to be more open.
- Members requested that officers share proposed lobbying points on devolution with the board's lead members.

Decision:

1. Members **noted** the update.

Action:

1. Officer to take forward work in line with members' steer, including:
 - 1.1 Sharing proposed lobbying points on taking the devolution process forward with the board's lead members.

6 Broadband, Mobile and the Digital Divide

Daniel Shamplin-Hall, Adviser, introduced the item and set out recent work and activity in the area. He advised members that LGA officers were continuing to lobby government to reaffirm their commitment to the Universal Service Obligation (which would give all residents the right to a speed of 10mbps). The government would choose a provider to deliver this. The Up-to-Speed Campaign would continue to be developed and would push the LGA's lines on the upcoming Digital Economy Bill. As a next step, the Chief Executive of Ofcom, Sharon White, would be invited to the next board meeting to discuss Ofcom's plans for lobbying on the Digital Economy Bill.

Mobile provision and the problems with coverage levels in rural areas were discussed. He talked about EE's proposals to roll out the emergency network, and it was suggested that an event on mobile connectivity could be organised.

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

- There was concern that speeds/download speeds in some areas were actually becoming worse.
- Members asked what the current position was on rolling out 4G to 98% of people by 2017. Officers advised that they would contact Ofcom to find out what progress had been made on this.
- Support was expressed for sending an invitation to Sharon White, CEO of Ofcom, to attend the next board meeting.
- It was highlighted that many coastal areas were experiencing the same problems with connectivity as rural areas.
- EE and the emergency network were discussed and the recent takeover of EE by BT. Members emphasised that there needed to be enough competition for a good service to be provided.
- Members expressed concern that speeds were still below 10mbps in some areas and that there was limited capacity in cabinets to improve this.
- Members asked how data on coverage figures was being

collected. Although Superfast Broadband had been rolled out earlier in the year, not all houses were connected and in some cases it was taking 3 to 6 months to connect them.

- It was suggested that areas with continuing problems look at setting a meeting between Ofgem, BT and the local MP.
- Future proofing was important to consider as the internet would develop and residents/businesses would need more speed and capacity. There was already a risk of building a system incapable of responding to modern demands.
- Members requested that digital inclusion to be part of the lobbying line on the Digital Economy Bill.

Decisions:

1. Members **noted** the report.
2. It was **agreed** that the CEO of Ofcom would be invited to attend the next board meeting.

Actions:

1. Officers to take forward work in line with members' steers.
2. Officers to contact Ofcom to find out the progress on rolling out 4G coverage to 98% of people by 2017.
3. Officers to invite Sharon White, CEO of Ofcom, to attend the next board meeting.

7 Leading Places Project Update

Philip Clifford, Senior Adviser, introduced the item. He advised members that the project had been devised by HEFCE, Universities UK and the LGA to encourage collaborative working between councils, universities and other local anchor institutions. The project was in its first phase (funded by HEFCE). There were six pilot areas, and themes for the project had now been confirmed in Gloucestershire, Manchester and Newcastle. On the 21st November, there would be a Peer Review Event, where pilot areas would update each other on their progress. The possibility of a phase 2 of the project was currently being discussed.

Members raised the following points:

- In a 2nd phase, problems facing universities in light of the EU exit should be discussed, particularly considering the involvement of HEFCE.
- It was suggested that a Leading Places event be arranged at the LGA Conference in 2017 so that best practise in this area could be shared and positive work showcased.

Decision:

1. Members **noted** the update.

Action:

1. Officers to take forward work in line with members' steers.

8 Business Rates Reform (verbal update)

Aivaras Statkevicius, Senior Adviser, introduced the item. The Secretary of State had issued two consultations on business rates in early July: one on system design and the transfer of responsibilities and one on the Fair Funding Review (both documents were included in the agenda pack). The government had received 450 responses to the consultation on business rates and the LGA Task and Finish Group had helped to respond to this. Officers were continuing to highlight issues caused by business rate appeals.

The Fair Funding Review considered ways to make the system more transparent. The government would consult again in late 2016, before the Local Growth and Jobs Bill, and the LGA would be discussing further approaches to the review.

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

- The chair acknowledged the work of the Task and Finish Group. He requested that members think about issues that needed considering, including the technical details that needed agreeing.
- The Fair Funding Review would need to be fair. Members felt the RSG system was broken and it that London was heavily funded. Members suggested setting up an Independent Commission to ensure this.
- If business rates revenue decreased and service pressures continued to grow, it could lead to an unfair position for councils.
- It should be clarified what councils would be expected to fund from business rates. There needed to be agreement that local government would not pick up the cost on additional responsibilities from this fund.
- Members raised problems of underfunding resulting from historic data. Any review would need to take into account historic spends and future proofing would need to be considered.
- Problems for councils that were heavily dependent on one business (making up a high percentage of their business rate income) were raised. Members asked what would happen to these local authorities in the event that the business appealed or shut down. The problem of a small local authority facing a full back dated cost in light of a successful business appeal was also discussed.

- Problem councils were already facing in raising enough council tax and covering the living wage were discussed. Members argued there would need to be a fairer funding base when business rate retention came in.
- Members agreed to urge the LGA Leadership Board to come to an agreement on considering fairer funding, and to potentially look at setting up an Independent Commission.

Decision:

1. Members **noted** the update.

Action:

1. Suggestions to be put to the Leadership Board to set up an Independent Commission if no agreement could be reached on fairer funding.
2. Officers to take forward actions as directed by members.

9 Skills and Employment Update - Next Steps

Jasbir Jhas, Senior Adviser, introduced the item. She advised members that a draft submission on employment and skills was included with the papers. The LGA had been working to make the current national system more localised, with a devolved skills system, funding for 16-18 year olds to help them into employment and a coherent local careers service. The LGA had been working with DWP and DfE to try to achieve this. She asked members for view on Annex A (the commission).

She advised that the board's Chair and the Chair of the City Regions Board (Cllr Sir Richard Leese) had attended a meeting with Penny Mordaunt MP, Minister of State for Disabled People, Health and Work, to discuss changes to the Work and Health Programme. Following on from decisions taken by the Department of Work and Pensions, the LGA would not be endorsing the government's plans.

The LGA would now make the case for reforms to Job Centre Plus and apprenticeships and would write to Robert Halfon MP, Minister of State for Apprenticeships and Skills, on these issues.

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

- Disappointment was expressed on the Work Health Programme and the lack of collaboration between central and local government.
- There was concern that the careers guidance currently available was failing young people.
- Concern was expressed on apprenticeships and it was felt that the profile on this issue should be raised. It was felt that large package

areas would be difficult to manage.

Decision

1. Members **noted** the update and proposed next steps.

Action

1. Officers to proceed with work in line with members' steer.

10 LGA Brexit Update and People and Places Priorities

Rebecca Cox, Principal Policy Adviser, introduced the item. The paper updated members on work that had happened over the summer. She advised that the Leadership Board had looked at priorities for the LGA when Britain left the EU, and would like feedback from the board on the constitutional position and powers returning from Europe which could be devolved to local government. Officers asked for a steer on 3 issues:

1. Skills and employment
2. Digital connectivity
3. Rural issues and issues on place

The Leadership Board had set up a Task and Finish Group to co-ordinate feedback from all board.

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

- It would be useful to commission a list of key issues which could be influenced.
- The European Regional Development Fund was discussed, what would happen to this after the exit and the need to safeguard recipients of this.

Decision:

1. Members **noted** the update.

Actions:

1. Officers to progress with work in line with the steer from members.
2. Officers to commission a list of key issues which could be influenced.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Mark Hawthorne MBE	Gloucestershire County Council
Vice-Chairman	Cllr Gillian Brown	Arun District Council
Deputy-chairman	Cllr Michael Payne	Gedling Borough Council
	Cllr John Pollard	Cornwall Council
Members	Cllr Philip Atkins OBE	Staffordshire County Council
	Cllr Derek Bastiman	Scarborough Borough Council
	Cllr Paul Carter CBE	Kent County Council
	Cllr Daniel Humphreys	Worthing Borough Council
	Cllr Kenneth Meeson	Solihull Metropolitan Borough Council
	Cllr Blake Pain	Harborough District Council
	Cllr Ken Turner	Pendle Borough Council
	Cllr Vince Maple	Medway Council
	Cllr Jennifer Mein	Lancashire County Council
	Cllr Stan Collins	South Lakeland District Council
Cllr Sarah Osborne	Lewes District Council	
Apologies	Cllr Roger Blaney	Newark & Sherwood District Council
	Cllr Chris Hayward	Hertfordshire County Council
	Cllr John Osman	Somerset County Council
	Cllr Caitlin Bisknell	Derbyshire County Council
	Cllr Amanda Martin	Council of the Isles of Scilly
	Cllr Heather Kidd	Shropshire Council



Devolution Update

Purpose

For discussion and direction.

Summary

This paper provides an overview of the LGA's policy and public affairs work relating to devolution to non-metropolitan and rural areas, outlines potential points to be raised with the Secretary of State in light of the concerns raised by the People and Places Board, proposes targeted press and public affairs work to highlight the case for devolution to non-metropolitan areas in advance of the Autumn Statement and describes recent support activity including, commissioned work to increase community engagement in the process of devolution and research into the local experience of devolution deals.

Recommendations

That the board:

1. **Note** the LGA's policy and public affairs work to advance further devolution to metropolitan and non-metropolitan areas – paragraphs 4 – 11.
2. **Agree** to a targeted press and public affairs campaign in advance of the Autumn Statement highlighting the case for devolution to non-metropolitan areas – paragraph 12.
3. **Comment** on proposed areas for discussion in advance of a meeting with the Secretary of State – paragraphs 13 – 15.
4. **Note** recent LGA activity in support of devolution – paragraphs 16 and 19.

Action

Officers to take forward their work as directed by members.

Contact officer: Philip Clifford
Position: Senior Adviser
Phone no: 07909 898327
Email: Philip.Clifford@local.gov.uk

Devolution Update

Overview

1. As directed by members, LGA officers have sought to develop a wide-ranging policy and support offer for non-metropolitan areas looking to secure devolution.
2. In response to concerns that devolution to non-metropolitan areas is proceeding at a slower pace than desired members at the September meeting of the People and Places Board agreed that the Chair would write to the Secretary of State for Communities and Local Government, proposing a meeting with lead members and inviting him to a future meeting of the Board. For reference, a copy of this letter is attached as Appendix A.
3. This paper provides an overview of the LGA's recent policy and public affairs activity relating to devolution, outlines potential points to be raised with the Secretary of State, describes recent support activity including, commissioned work to increase community engagement in the process of devolution and proposes further more-focused work to highlight the case for greater devolution to non-metropolitan areas.

Developing the LGA's Policy on Devolution

4. The LGA has consistently called for further devolution both to metropolitan and non-metropolitan areas. We have argued that there can be no 'one size fits all' approach to governance and that councils should be free to bring forward and develop their own governance arrangements in order to best meet the needs of their communities.
5. We have also sought to expand the terms of debate, taking the case for devolution beyond the confines of the established deal-making process and reframing the transfer of powers from national to local government as a matter of national debate.
6. In a keynote discussion paper launched at the LGA's Annual Conference in July 2016 we established four principles for devolution:
 - 6.1 **Local:** Devolution deals should be 'bottom-up'. Greater freedoms should not come in a one-size-fits-all package. While there are flexibilities that we believe should be available to all areas, it should be up to communities to decide the powers they need to fulfil their local ambition.
 - 6.2 **Governance:** Local places should be able to design their own robust governance systems that fit local circumstances and are appropriate to the powers that have been devolved. While greater local powers need to be accompanied by clear local accountability and more robust scrutiny, local government does not support a one-size-fits-all governance model. Indeed, we believe that it is stifling progress, especially in non-metropolitan areas.
 - 6.3 **Speed:** The devolution debate must be led by innovation and ideas and those areas which are ready to go should be able to run fastest.

- 6.4 **Functional:** Place should be defined locally and based on functional economic areas, at a scale that enables effective delivery of devolved services.
7. In the LGA's submission to the Business Innovation and Skills Select Committee Inquiry into the Government's Industrial Strategy on September 27 we argued that:
- 7.1 Both cities and non-metropolitan economies can benefit from the freedoms and flexibilities that come with devolution. Equally, all local leaders will be ambitious to see the communities and businesses within their areas thrive.
- 7.2 Currently, local leaders across the country can struggle to access the levers of growth and, in turn, match the economic performance of their global competitors. A national industrial strategy which places a strong emphasis on the unique contributions of different places provides a clear opportunity to address this challenge, by significantly boosting the devolution of powers and responsibilities in support of economic growth.
8. In the LGA's Autumn Statement Submission drafted for consideration ahead of 23 November, arguments for further devolution have taken centre stage with three specific proposals:
- 8.1 **Maintain the drive on devolution so that it becomes the primary vehicle for change.** Devolution must be a customisable response to national and local priorities, reflecting the Government's new agenda while remaining grounded in the pursuit of place-based outcomes through place-based leadership. This will require Whitehall 'letting go' in some cases, but embedding flexibility in this way will encourage innovation in how local areas deal with the big issues facing our communities.
- 8.2 **Sign new devolution deals in non-metropolitan areas.** Our towns, villages and rural areas are just as ambitious as our cities. However, their needs and opportunities are different and Government must work flexibly with councils if we are to deliver the benefits of devolution to communities and businesses across the country. This means allowing for new arrangements such as local non-Mayoral deals, and engaging in an honest debate about what is best achieved nationally and what is best achieved locally.
- 8.3 **Open the door to a discussion on fiscal devolution.** If we are to provide a truly new approach to delivering local public services, working in partnership with various parts of the public sector under local government coordination, then we also need a new approach to the funding of services. To properly unlock the capability of local partners to cooperate it is important to unlock freedom for public resources to be used more flexibly. If the localisation of business rates can be proven to work well, the principles underpinning it could spur on further devolution of taxation.
9. The result of the EU Referendum has fundamentally reshaped national government and national political discourse. As set out above, the LGA has sought to keep pace with this challenging environment, maintaining a focus on expanding the process of devolution

deals to include non-metropolitan areas, while using the principles of devolution to influence and shape the key priorities of what is effectively a new government.

10. The Autumn Statement will provide a key indication of where the government's priorities in relation to further devolution are likely to lie. In order to help ensure that the case for further devolution to non-metropolitan areas receives appropriate recognition officers will work with the LGA's press and public affairs teams to highlight the 'lost opportunities' arising due to limited progress in taking forward deals outside the larger city regions.
11. **Members are asked to note the LGA's policy lines on devolution, agree to the proposal to undertake targeted press and public affairs work in advance of the Autumn Statement to highlight the 'lost opportunities' arising from the limited progress in securing devolution deals in non-metropolitan areas and to a report considering next steps to be brought to the next meeting of the Board.**

Meeting with Secretary of State

13. In response to concerns expressed by members of the People and Places Board a letter has been sent to the Secretary of State for Communities and Local Government, Sajid Javid, proposing a meeting with lead members and inviting him to a future meeting of the Board. A copy of this letter is attached as Appendix A to this report.
14. In advance of these meetings being confirmed it is proposed that the following points are used to inform an initial discussion with members regarding specific issues that relate to devolution and non-metropolitan areas, which might be raised:
 - 14.1 Continuing to press for greater flexibility on devolved governance, building on the differential approach taken in Cornwall and London the emerging evidence from LGA commissioned research into local governance and scrutiny.
 - 14.2 Calling for clarity regarding the vision for future devolution to non-metropolitan areas, reflecting on progress in those areas that submitted deal proposals as part of the previous Chancellor's call for submissions and those without a formal deal currently under consideration.
 - 14.3 Proposing greater general consideration of the changing shape and scope of rural and non-metropolitan communities as they relate to government policy in areas such as health and education, the finance of public services and the drivers growth and demographic pressure.
 - 14.4 Expanding the principles of subsidiarity beyond the 'town hall' and advance the case for devolution in the direction of passing greater powers to communities.
15. **Board members are asked to consider the areas set out above and direct officers as required to develop these lines in advance of a meeting with the Secretary of State.**

Recent Activity in Support of Devolution

16. A final draft of research commissioned by New Economy in to the experience of devolution has now been received and will shortly be published on the LGA's Devohub. The research highlights that the most successful devolution negotiations have been driven by places being able to identify evidence-based strategic priorities which are shared by a broad coalition of partners. It also notes that challenges remain in the devolution process with places expressing frustration with unexplained 'red lines', which limit the ability of places to deliver the outcomes they are seeking, and a lack of consistent departmental buy-in to devolution across Government.
17. A communities and devolution event- [*Shaping Devolution: the role of communities and citizens*](#) took place on 17th October. This explored the benefits of enabling citizens to influence local decision making and service design in the context of devolution and methods for doing so.
18. The New Economics Foundation (NEF) have been commissioned to produce new materials that support councils and combined authorities engage citizens in devolution. These build the case for citizen participation and highlight a range of practical approaches. The materials have been tested by the sector were launched on the LGA's [DevoHub](#) at the *Shaping Devolution* event.
19. **Members are asked to note recent activity in support of devolution.**

Appendix A

The Rt. Hon. Sajid Javid MP
Secretary of State for Communities and Local Government
2 Marsham Street
London
SW1P 4DF

12 October 2016

Dear Secretary of State,

Meeting to discuss devolution to rural and non-metropolitan areas

As Chairman of the Local Government Association's People and Places Board, I would like to introduce myself and affirm that the Board looks forward to working with you and to quickly establishing a strong relationship underpinned by trust and mutual respect.

I and the Board's lead members would be delighted to meet with you and to invite you to a future meeting of the Board to discuss a range of issues. For reference, I attach dates of these meetings.

The People and Places Board represents non-metropolitan and rural councils. Its members are ambitious to see further devolution to their communities and greater growth in their local economies, but they are conscious of the particular risk for both these priorities arising from the pursuit of a national policy approach.

We have been struck by the progress made in devolution to cities and city regions across the country and we welcome the Prime Minister's recent announcement that she remains personally committed to this process. However, we seek clarity on the government's approach to devolution to rural and non-metropolitan areas.

In particular, we note that of the 34 proposals submitted last September, only 2 non-metropolitan areas – Greater Lincolnshire and Cornwall – have been able to strike a devolution deal with national government. Moreover, beneath this headline figure rests the sense amongst Board members that more might be done to agree deals in rural and non-metropolitan areas on a scale that matches our ambitions.

I along with lead members of the board would therefore welcome the opportunity to discuss this issue with you at the earliest opportunity in the hope that we might agree a practical way forward. I would also like to invite you to a future meeting of the full Board so that we might discuss the full range of issues specifically affecting rural and non-metropolitan areas.

I look forward to hearing from you.

Yours sincerely,



Councillor Mark Hawthorne MBE

Broadband, Mobile and the Digital Divide

Purpose

For discussion and direction.

Summary

This paper provides an update on the LGA's recent activity on digital connectivity.

Recommendation

Members to note update.

Action

Officers to take forward as directed by members.

Contact Officer: Daniel Shamplin-Hall
Position: Adviser
Telephone No: 020 7664 3314
Email: daniel.shamplin-hall@local.gov.uk

Broadband, Mobile and the Digital Divide

Introduction

1. At the last Board, members approved a programme of work that would see the Board pursuing three areas of focus:
 - 1.1. **Providing political leadership and steer as the LGA seeks to influence the drafting of the Digital Economy Bill;**
 - 1.2. **Pursuing a stronger focus on mobile connectivity with the aim of supporting local government to play an impactful role in catalysing improvements to mobile provision in rural areas;**
 - 1.3. **Building on the success of the first phase of the Up to Speed campaign by developing a further a range of online resources to support councils to extend provision to the final 5 per cent**

The Digital Economy Bill - Update

2. The Committee stage of the Digital Economy Bill's passage through the House of Commons began last month. Last week, the Committee scrutinised elements of the Bill itself following a range of amendments submitted from Parliamentarians. Members will find our brief on the Public Bill Committee stage in Appendix A which also outlines amendments, other than our own, which we supported.
3. LGA officers arranged for two amendments to the Bill to be tabled. These were as follows:

Universal Service Obligation

4. **The Secretary of State must lay before each House of Parliament an annual report about the implementation of the universal service order for all areas pursuant to the provisions of this Act**
 - 4.1. **The annual report must include information on:**
 - 4.1.1 **the number of premises that have been supplied with the minimum download speed as specified in the USO secondary legislation,**
 - 4.1.2 **the number of premises that have been required to cover some of the cost of connection,**
 - 4.1.3 **of the premises in (b) the average cost of connection per premise covered by residents, disaggregated by local authority area,**
 - 4.1.4 **the number of premises that have chosen not to be connected via the universal service order after being provided with an estimate, and the**

amount of time on average it takes to provide an estimate and connect a premise, disaggregated by local authority area.

4.2. The annual report must be laid before each House of Parliament as soon as practicable after 31 March each year.

5. We believe it is key that Government reports on the success of the broadband USO to allow local authorities to appropriately scrutinise its progress. Despite receiving support from several Committee members, the amendment was taken to a vote and rejected 10 to 8. Officers will still have an opportunity to try to re-table the amendment when the Bill passes through the House of Lords. Ofcom officials have separately confirmed to officers they will now consider how they report on the progress of the Universal Service Obligation in their annual Connected Nations Report.

Automatic Compensation

6. **To prevent residents and businesses suffering from long-term broadband outages, the Bill should be amended to include a specific obligation for providers to fix faults with connections within appropriate timescales.**
7. This amendment would see this Bill include a specific obligation for providers to fix faults with connections within appropriate timescales. We would then expect the Government to lay the precise timescale down in secondary legislation. As an example of an appropriate timescale, Ofcom compels Openreach as a minimum over the course of a given year to complete “around 80%” of fault repairs within two working days of being notified.¹
8. This amendment was discussed and voted on at Bill Committee on 20 October.² Unfortunately, we were not successful and the amendment was rejected 10 to 7. Officers will look to bring a similar amendment to the Bill as it passes through the House of Lords.

Digital Skills

9. Last month, [the Government announced](#) it would introduce its own amendment to the Bill to make training in basic digital skills free for adults lacking relevant qualifications. The LGA broadly supports this amendment but has specific concerns regarding how it will be funded and delivered locally.
10. The Government has stated funding to deliver the measures will come out of the existing Adult Education Budget (AEB), worth £1.5 billion per year. The fund consolidates current skills funding for adults – Adult Skills Budget, Community Learning, and Discretionary Learner Support. It is being progressively devolved which is welcome news, but its consolidation represents a 48% cut in funding. National entitlements are already likely to account for £0.5 billion.

¹ <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2014/famr-statement>

² <https://goo.gl/9gJTdi>

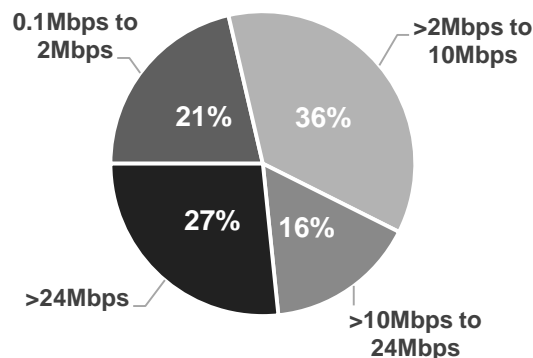
11. We remain concerned that Government adding more and more criteria to how the AEB will be spent will be unhelpful, given there will already be so many calls on its use. We will continue to lobby Government on this front and are pursuing conversations with civil servants to seek clarification.

Up to Speed Campaign

12. Officers have continued to develop the Up to Speed Campaign and its accompanying website including inviting our member councils to share examples of best practice relating to the extension of digital connectivity. There has been a keen interest from our members to showcase their work on the site, and we have already posted [the first of a new series of case studies](#) online, with others to follow shortly.

13. The website has had over 1500 speed tests taken since the campaign was established. Whilst this sample size of results is not large enough to draw robust national conclusions, it is nonetheless indicative of the download speeds faced by the audience the campaign has been engaging with. As shown in figure 1, a total of 57 percent of speed tests taken did not achieve above the Universal Service Obligation proposed minimum download speed of 10Mbps. Indeed, 21 percent did not even achieve higher than 2Mbps.

Fig.1 - Up to Speed Campaign
Speed tests results - breakdown by download speed



14. The data also mirrors the disparity in internet speeds faced by households across the country. Those tests taken by households supplied with fibre to the premise connections recorded an average of 60Mbps download speeds. Conversely, those with either mixed fibre, or solely copper connections achieved an average of 10Mbps download speed.

15. As part of the campaign’s focus on the Universal Service Obligation, we also launched a press release last month calling for all connections provided under the USO to include a subsidised social tariff so that those who are unemployed or on low incomes can get an affordable service should they face undue hardship in paying a market rate. The release received coverage from [BBC Online](#), [The Times](#) and [the Sun](#).

Ofcom attendance at January Board

16. Finally, members were keen to invite Sharon White, Chief Executive of Ofcom, to the Board to discuss a range of areas of importance to councils including the broadband Universal Service Obligation and the future of mobile provision. Neither Ms White nor a senior Ofcom official were available to speak at the November's Board. However, they have requested that the Board consider inviting an Ofcom representative to present at the January 2017 Board after the publication of their 2016 Connected Nations Report which provides the latest coverage data summarising of the current state of the country's mobile and broadband connectivity, and after the publication of their report on the design of the broadband Universal Service Obligation.

Local Government Association briefing
Digital Economy Bill
House of Commons Public Bill Committee
Thursday 20 October 2016



Briefing

KEY MESSAGES

- **We support Amendment 84 to Clause 3** tabled by Louise Haigh MP and Kevin Brennan MP which would see this Bill include a specific obligation for providers to fix faults with connections within appropriate timescales. We expect the Government to lay this down in secondary legislation and as an example of an appropriate timescale, Ofcom compel Openreach as a minimum over the course of a given year to complete “around 80 per cent” of fault repairs within two working days of being notified.¹
- **We support Amendment 60 to Clause 3** tabled by Calum Kerr MP which would require a communications provider to allow an end-user to terminate a contract on repeatedly failing to meet a specific standard or obligation. At present, broadband providers can voluntarily agree to sign up to a Code of Practice that commits them to allowing customers to cancel a contract should their download speed fall consistently below a pre-agreed standard. We agree this protection for consumers should be in statute.
- **We support New Clause 10** tabled by Louise Haigh MP and Kevin Brennan MP which would ensure an open procurement process is held in respect of the allocation of the USO. We have called for the USO to be delivered by multiple providers, split across regions, to ensure competition at a local level. We agree that any procurement process should be as open and transparent as possible.
- The provisions set out in **New Clause 26** tabled by the Minister of State for Digital and Culture, Matt Hancock MP would ensure that courses of study for qualifications in information technology are free of charge for persons in England aged 19 or over. The Government’s commitment to upskill people with basic digital skills training is a step in the right direction. Any new training requirements should be matched by additional funding from central Government. The courses should also be locally routed and commissioned.

FURTHER INFORMATION ON KEY CLAUSES

We support Amendment 84 to Clause 3 tabled by Louise Haigh and Kevin Brennan MP

This would see this Bill include a specific obligation for providers to fix faults with connections within appropriate timescales.

Access to fast and reliable digital connectivity is a necessity for households and businesses in the UK, enabling them to utilise online services such as bill payments and online shopping, to access public services such as telehealth care and filing electronic tax returns. This amendment would go some way to preventing residents and businesses suffering from long term broadband outages.

¹ <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2014/famr-statement>

We expect the Government to lay this down in secondary legislation and as an example of an appropriate timescale, Ofcom compel Openreach as a minimum over the course of a given year to complete “around 80 per cent” of fault repairs within two working days of being notified.²

We support Amendment 60 to Clause 3 tabled by Calum Kerr MP

This would require a communications provider to allow an end-user to terminate a contract on repeatedly failing to meet a specific standard or obligation.

At present, broadband providers can voluntarily agree to sign up to a Code of Practice that commits them to allowing customers to cancel a contract should their download speed fall consistently below a pre-agreed standard. We agree that mobile providers should be held to a similar standard, ideally in statute.

We support New Clause 10 tabled by Louise Haigh MP and Kevin Brennan MP

This would ensure an open procurement process is held in respect of the allocation of the USO. We have called for the USO to be delivered by multiple providers, split across regions, to ensure competition at a local level. We agree that any procurement process should be as open and transparent as possible.

The provisions in New Clause 26, tabled by the Minister of State for Digital and Culture, Matt Hancock MP, should be matched by additional funding from central Government

We understand that this amendment relates to the Government’s recent announcement that publicly-funded basic digital skills training will be offered free of charge to adults in England who need it.³ Courses will be delivered by colleges and other adult education providers, and training will be funded from the existing Adult Education Budget (AEB).

The Government’s commitment to upskill people with basic digital skills training is a step in the right direction. It is right that everyone has the opportunity to play an active economic and social role in an increasingly digital society. However, it is crucial that the Government is clear on how it will be funded, as resources are limited. Councils are working hard to support adults with their skills needs and are working with colleges and other training and employment providers to create a more coherent employment and skills system to meet local economic needs. Given this, any new requirements should be matched by additional funding from central Government. The new training requirement should be also locally routed and commissioned.

The AEB is already the result of three reduced and consolidated funds and is being progressively devolved to combined authorities. With a funding envelope of £1.5bn a year across England, statutory entitlements already account for £0.5bn. Devolution suggests a greater role in determining how the AEB money will be spent locally, but areas need maximum freedom and flexibility to determine this.

For many local areas, the AEB is likely to be stretched, particularly in areas with high unemployment and low skills levels where a large proportion of the budget will be spent on statutory entitlements such as Maths and English and ESOL

² <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2014/famr-statement>

³ [DCMS Press release, 'Government plans to make the UK one of the most digitally-skilled nations', 1 October 2016](#)

programmes as part of the statutory entitlements to prepare people for life and work. Many areas are concerned how much will be left from AEB once entitlements are accounted for. Additional separate funding for the new digital inclusion requirement is essential and should be added to the AEB. It should not be funded through existing limited resources.

Local authorities are involved in trials to support their residents through DWP's 'Universal Support delivered Locally' to enable residents to become digitally included so they are in a position to access Universal Credit online. It will be important to learn lessons from these to understand the costs involved.

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The Museum of the Order of St John

St John's Gate, St John's Lane, Clerkenwell, London, EC1M 4DA

Location

The museum is located between Smithfield and Clerkenwell, and is very close to the LGA's new location at Layden House.

Transport

The area is well provided with public transport.

By train or tube: Farringdon (Tube and Thameslink trains) is the nearest station and is 5 minutes' walk from the museum.

By bus: Farringdon Road (63), Clerkenwell Road (55,243).

By car: pay and display parking is available in St John's Square.

Car parks nearby: NCP Saffron Hill, St Cross Street, EC1N 8XA; NCP Bowling Green Lane, 1 Bowling Green Lane, Clerkenwell, EC1R 0BD; Corporation of London, Smithfield, EC1A 9DS.

