

# City Regions Board

## Agenda

Wednesday, 30 September 2020  
1.00 pm

Online via Zoom.

## City Regions Board

30 September 2020

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There will be a meeting of the City Regions Board at **1.00 pm on Wednesday, 30 September 2020** online via zoom.

**Attendance:**

Member Services will read out a register at the start of the meeting.

**Apologies:**

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

<b>Conservative:</b>	020 7664 3223	email: <a href="mailto:lgaconservatives@local.gov.uk">lgaconservatives@local.gov.uk</a>
<b>Labour:</b>	020 7664 3263	email: <a href="mailto:Martha.Lauchlan@local.gov.uk">Martha.Lauchlan@local.gov.uk</a>
<b>Liberal Democrat:</b>	020 7664 3235	email: <a href="mailto:libdem@local.gov.uk">libdem@local.gov.uk</a>
<b>Independent:</b>	020 7664 3224	email: <a href="mailto:independent.group@lga.local.gov.uk">independent.group@lga.local.gov.uk</a>

**LGA Contact:**

Thomas French, Member Services Officer [thomas.french@local.gov.uk](mailto:thomas.french@local.gov.uk)

**Carers' Allowance**

As part of the LGA Members' Allowances Scheme a Carer's Allowance of £9.00 per hour or £10.55 if receiving London living wage 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.

## City Regions Board – Membership 2020/2021

Councillor	Authority
<b>Conservative ( 5)</b>	
Cllr. Abi Brown (Vice-Chair)	Stoke-on-Trent City Council
Cllr. Robert Alden	Birmingham City Council
Cllr. Donna Jones	Portsmouth City Council
Cllr Joanne Laban	Enfield Council
Cllr Toby Savage	West of England Combined Authority
<b>Substitutes</b>	
Cllr. Barry Anderson	Leeds City Council
Cllr Daniel Fitzhenry	Southampton City Council
Cllr Julia Lepoidevin	Coventry City Council
<b>Labour ( 14)</b>	
Sir Richard Leese CBE (Chair)	Manchester City Council
Cllr. Susan Hinchcliffe (Vice-Chair)	Bradford Metropolitan District Council
Mayor Joe Anderson OBE	Liverpool City Council
Cllr John Merry	Salford City Council
Cllr Shaun Davies	Telford and Wrekin Council
Cllr. Martin Gannon	Gateshead Council
Mayor Marvin Rees	Bristol City Council
Cllr Elise Wilson	Stockport Metropolitan Borough Council
Cllr. Timothy Swift MBE	Calderdale Metropolitan Borough Council
Cllr Danny Thorpe	Royal Borough of Greenwich
Cllr David Mellen	Nottingham City Council
Cllr Sean Fielding	Oldham Metropolitan Borough Council
Cllr Shama Tatler	Brent Council
Cllr Anthony Hunt	Torfaen County Borough Council
<b>Substitutes</b>	
Cllr James Swindlehurst	Slough Borough Council
Cllr Jason Brock	Reading Borough Council
Cllr Iain Malcolm	South Tyneside Metropolitan Borough Council
Cllr Graeme Miller	Sunderland City Council
Cllr. Samantha Dixon	Cheshire West and Chester Council
<b>Liberal Democrat ( 2)</b>	
Cllr Anita Lower (Deputy Chair)	Newcastle upon Tyne City Council
Cllr Gareth Roberts	Richmond upon Thames London Borough Council
<b>Independent ( 1)</b>	
Cllr Gillian Ford (Deputy Chair)	Havering London Borough Council
<b>Substitutes</b>	
Cllr Phelim MacCafferty	Brighton & Hove City Council

## Agenda

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### City Regions Board

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**Date of Next Meeting:** Wednesday, 18 November 2020, 13:00pm.

## **Membership and Terms of Reference for 2020/21**

### **Purpose**

For discussion and decision.

### **Summary**

For members to note the membership and agree the Terms of Reference of the City Regions Board for 2020/21.

### **Recommendation**

The City Regions Board is asked to:

1. Note the membership of the Board for 2020/21;
2. Agree the Board's Terms of Reference for 2020/21;
3. Consider the Equalities Advocate for the board.

### **Action**

Officers to take any actions as required.

**Contact officers:** Thomas French  
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## City Regions Board – Membership 2020/21

Councillor	Authority
<b>Labour ( 14)</b>	
Sir Richard Leese CBE (Chair)	Manchester City Council
Cllr. Susan Hinchcliffe (Vice-Chair)	Bradford Metropolitan District Council
Mayor Joe Anderson OBE	Liverpool City Council
Cllr John Merry CBE	Salford City Council
Cllr. Shaun Davies	Telford and Wrekin Council
Cllr Martin Gannon	Gateshead Council
Mayor Marvin Rees	Bristol City Council
Cllr Elise Wilson	Stockport Metropolitan Borough Council
Cllr. Timothy Swift MBE	Calderdale Metropolitan Borough Council
Cllr. Danny Thorpe	Royal Borough of Greenwich
Cllr. David Mellen	Nottingham City Council
Cllr. Sean Fielding	Oldham Metropolitan Borough Council
Cllr. Shama Tatler	Brent Council
Cllr Anthony Hunt	Torfaen County Borough Council
<b>Substitutes</b>	
Cllr. James Swindlehurst	Slough Borough
Cllr Jason Brock	Reading Borough Council
Cllr. Iain Malcolm	South Tyneside Metropolitan
Cllr. Graeme Miller	Sunderland City Council
Cllr Samantha Dixon	Cheshire West and Chester Council
<b>Conservative (5)</b>	
Cllr. Abi Brown (Vice-Chairman)	Stoke-on-Trent City Council
Cllr. Robert Alden	Birmingham City Council
Cllr. Donna Jones JP	Portsmouth City Council
Cllr. Joanne Laban	Enfield Council
Cllr. Toby Savage	West of England Combined Authority
<b>Substitutes</b>	
Cllr. Barry Anderson	Leeds City Council
Cllr. Daniel Fitzhenry	Southampton City
Cllr. Julia Lepoidevin	Coventry City Council
<b>Liberal Democrat ( 2)</b>	
Cllr. Anita Lower (Deputy Chair)	Newcastle upon Tyne City Council
Cllr Gareth Roberts	Richmond upon Thames London Borough Council
<b>Independent ( 1)</b>	
Cllr. Gillian Ford (Deputy Chair)	Havering London Borough Council
<b>Substitutes</b>	
Cllr. Phelim MacCafferty	Brighton & Hove City Council

## **Terms of Reference: City Regions Board**

1. The City Regions Board represents the interests of cities and city-regions. Its remit includes place-based inclusive growth, devolution, the implications of Britain's departure from the European Union for metropolitan areas, skills and employment support, public service reform and wider issues relating to urban leadership and development.
2. The Board should seek to involve councillors in supporting the delivery of these priorities (through task groups, Special Interest Groups (SIGs), regional networks and other means of wider engagement); essentially operating as the centre of a network connecting to all urban councils and drawing on the expertise of key advisors from across the sector.
3. The City Regions Board's responsibilities include:
  - 3.1. Ensuring the priorities of metropolitan councils are fed into the business planning process.
  - 3.2. Developing and overseeing a work programme to deliver the business plan against agreed priorities relevant to their brief, covering lobbying, campaigns, research, improvement support in the context of the strategic framework set by Improvement & Innovation Board, and events, linking with other boards where appropriate.
  - 3.3. Sharing good practice and ideas to stimulate innovation and improvement.
  - 3.4. Representing and lobbying on behalf of the LGA including making public statements on its area of responsibility.
  - 3.5. Building and maintaining relationships with key stakeholders.
  - 3.6. Involving representatives from councils in its work, through task groups, Commissions, SIGs, regional networks and mechanisms.
  - 3.7. Commissioning LGA officers and resources, where appropriate, to respond to specific issues referred to the Board by one or more member councils or groupings of councils.
4. The City Regions Board may:
  - 4.1. Appoint members to relevant outside bodies in accordance with the Political Conventions.
  - 4.2. Appoint member champions from the Board to lead on key issues, with responsibility for liaising with portfolio holders on key issues that require rapid response/contact with councils.

### **Work Programme**

5. The Board to set its own work programme which is agreed at the start of each meeting cycle in early Autumn.

### **Quorum**

6. One third of the members, provided that representatives of at least 2 political groups represented on the body are present.

### **Political Composition**

7. Membership of the City Regions Board is drawn from the Core and Key cities, SIGOMA and London Boroughs, and is reflective of those in Combined Authorities or seeking devolution deals.
8. The Board has 22 members and its make-up reflects the political proportionality of the wider group of councils from which the membership is drawn. This differs from the seven policy boards, whose make-up reflects the political proportionality of the Association as a whole.
9. The chair has been appointed from the largest group on the Board and falls within the LGA's own proportionate allocations. In line with the LGA's political conventions, the remaining groups each have a vice or deputy chair.
10. The composition by political party is recalculated each year and reflects the political proportionality of the wider group of councils from which their membership is drawn. The current composition is:

10.1	Conservative group:	5 members
10.2	Labour group:	14 members
10.3	Independent group:	1 member
10.4	Liberal Democrat group:	2 members

11. Substitute members from each political group may also be appointed.

### **Frequency per year**

12. Meetings to be held five times per annum.

### **Reporting Accountabilities**

13. The Board will report annually to the LGA Executive Advisory Board at the July meeting.



**Equalities Advocate**

14. The Executive Advisory Board have asked each Board to identify a member to be an Equalities Advocate within each Board to raise the profile of any equalities issues within that Board's workstream. The advocates will work together to coordinate the messaging across the organisation and to report back to the Executive Advisory Board. Due to this cross-board work the decision has been made that these appointments should be politically balanced and therefore LGA Group Offices will be making appointments for each board over the next few weeks.



## **Board work programme 2020/21**

### **Purpose of report**

For discussion.

### **Summary**

The report reflects on the major policy developments which have taken place over the past year and anticipates the key areas of focus for the future work of the LGA. Within this context, the paper then sets out the overall priorities for the Board in 2020/21.

### **Recommendation**

That Members comment on and agree the proposed work programme.

### **Action**

Officers to use members' comments to inform the work of the City Regions Board.

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## **Board work programme 2020/21**

### **Background**

1. As set out in the terms of reference the purpose of the City Regions Board is to represent the interests of urban areas, including those which are part of Combined Authorities or seeking devolution deals. Its remit includes devolution, economic growth, skills and employment support and wider public service reform. It shares a number of areas of interest with the People and Places Board and works jointly with them on issues such as devolution, skills and employment, the UK Shared Prosperity Fund and local economic growth. The Boards' makeup allows them to take a different focus or perspective on common interests, most notably concerning progress on devolution in England, where the LGA works with the principle of differential devolution.
2. This paper sets out a proposed work programme for 2020/21. While officers have attempted to set out a programme for the whole year, it is likely that national or local priorities will change over that time. The Board and Lead Members will direct officers to adapt the work programme as and when this happens. While the current plan allows for some flexibility, adding new or expanded work may involve other work being scaled back to fit available resources.

### **Current context for local government**

3. 2019/20 was an unprecedented year for the Board and for the nation. Early in the board cycle a general election was called returning a majority Conservative government. The Government was clear in setting its direction prioritising exiting from the EU and negotiating a trade agreement. It also gave clear indication of its intention to follow a "levelling up" agenda and to publish a devolution white paper.
4. The latter half of the year saw the country hit by the COVID-19 pandemic and a national lockdown which could return depending on virus levels. The pandemic saw councils working at breakneck speed to reconfigure services to protect the vulnerable and support communities in a wide-ranging manner including creating new offerings and ensuring the continuation of key frontline services.
5. The long-term impact of COVID-19 will take some time to fully determine. However, councils immediately need additional funding to cover the full costs they have incurred from having to deal with the pandemic and the loss of income they have suffered. Councils across the country have been in a phase of focussing on recovery. However, we are starting to receive feedback that some councils are pausing their recovery work and going back into "COVID response" mode. This approach will continue for some time as councils have to manage the national picture around economic recovery and any potential second wave of the virus or local outbreaks.

6. Post lockdown the LGA has clearly set out how the sector wants to move forward on recovery and its relationship with government in its Rethinking Local publication. Over the next few months we anticipate the policy agenda for the LGA being driven by the Economic Recovery and Devolution White Paper, EU Exit preparations and the Comprehensive Spending Review.

### **Board priorities**

7. 2019/20 was a successful year for the City Regions Board as outlined in the end of year board report. It has left us well positioned to ensure that the interests of urban areas can be heard and anticipate that the Local Recovery and Devolution White Paper will be a key vehicle for us to influence.
8. Given the above, the following priorities are suggested for the Board in 2020/21, building on its work in 2019/20.
  - 8.1. Within the context of COVID-19 and the forthcoming English devolution white paper the board will pursue a programme of engagement with Government and stakeholders to ensure councils in urban parts of England have the powers and resources to lead a successful and sustainable recovery and drive improved outcomes for their communities.
  - 8.2. The Board will continue to take forward the LGA's lobbying work on skills, making the case for the Work Local model and continuing to engage with key stakeholders. The Board may want officers to focus on the role employment and skills will play in the Government's recovery plans.
  - 8.3. The Board will seek to ensure the key elements of place-based growth – fiscal devolution, public service reform, the UK Shared Prosperity Fund, trade and investment, fit with the priorities and ambitions of urban areas.
  - 8.4. Reflecting on feedback from lead members the Board will identify cross cutting policy issues which it would like to work on with other boards in order to help shape LGA lobbying lines e.g. planning, transport, housing.
  - 8.5. Lead members have also indicated an interest to commission external research to support the development of a vision for urban growth and recovery.
  - 8.6. Ensure the Board addresses inequalities and promotes equality and inclusion through all of the work identified in this work programme.

9. **Board members are invited to comment on the overall balance of the work programme and priorities.**

#### **Implications for Wales**

10. Wales is on its own devolution journey. We continue to work with the WLGA on issues of shared importance, including the role of local government post-Brexit and the details of the UKSPF.

#### **Financial Implications**

11. The Board's activities are supported by budgets for policy development and improvement. Resources will be allocated as directed by members in support of individual objectives.

#### **Next steps**

12. Officers to develop a detailed programme of activity in line with members' steer.



## Devolution Update

### Purpose of report

For direction.

### Summary

Update for the City Regions Board on policy and public affairs activity relating to further devolution.

### Recommendations

1. Members are asked to agree the draft principles set out at **paragraph 9**.
2. Consider the range of public affairs activity set out at **paragraphs 11 – 13**.
3. Note the proposed approach to responding to the Local Economic Recovery and Devolution White Paper and agree that an item on health devolution be considered at a future board **paragraphs 15 – 16**.
4. Note the proposal to re-refresh the LGA's offer of support to new and emerging combined authorities **paragraphs 18 – 19**.

### Action

Officers to take forward work as described, subject to members' comments.

**Contact officer:** Philip Clifford  
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## Devolution Update

### Background

1. The Local Government Association has consistently made the case for greater powers, funding and responsibility to flow to democratically elected local leaders.
2. In our 2018 Annual Conference publication we called for an English Devolution Bill to enhance the devolved powers of all areas across England<sup>1</sup>. In the December 2019 Queen's Speech the Government announced an English Devolution White Paper proposing to set out *further detail on our plans for full devolution across England, levelling up powers between Mayoral Combined Authorities, increasing the number of mayors and doing more devolution deals.*<sup>2</sup>
3. Following this announcement, the LGA began a programme of work, guided by member councils, to refresh and strengthen our policy position on devolution, built around four elements: establishing an English devolution baseline; expanding the focus of devolution beyond economic growth to encompass wider priorities for public service reform; making the case for greater fiscal devolution; and, asserting the constitutional position of English councils within the context of a strengthened United Kingdom.
4. While the emergence of the Coronavirus pandemic in March disrupted much of this work, the role of councils leading their communities through the crisis and towards recovery has been a consistent theme over the last six months. This was highlighted in the LGA's 2020 Conference Publication, which called on the Government *to deliver a devolution white paper for England that enables recovery in its broadest sense, to be led locally.*<sup>3</sup>
5. In July, Simon Clarke, the Minister of State for Regional Growth and Local Government announced that the now titled Local Economic Recovery and Devolution White Paper would be published in September and contain proposals that will: *“redefine the way in which local government serves its communities by establishing the unitarization of councils as a vital first step for negotiating [these] mayoral devolution deals in future.”*<sup>4</sup>
6. Since this announcement the question of local government reorganisation has rapidly gone up the agenda, albeit with little clarity from national government on details of the likely scale, process and timetable. Consequently, one of the key risks has been that that a core argument in favour of devolution, to bring powers and resources closer to communities and businesses, could be lost amidst a welter of competing proposals relating to structure and governance.

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<sup>1</sup> [https://www.local.gov.uk/sites/default/files/documents/5.39%20Brexit\\_v06WEB.pdf](https://www.local.gov.uk/sites/default/files/documents/5.39%20Brexit_v06WEB.pdf)

<sup>2</sup> <https://www.local.gov.uk/parliament/briefings-and-responses/queens-speech-december-2019-day-briefing>

<sup>3</sup> <https://www.local.gov.uk/about/campaigns/re-thinking-local>

<sup>4</sup> <https://www.ft.com/content/a526d906-9c1a-41d1-b9ff-291d4bc19c62>



7. In the last couple of weeks, the resignation of Simon Clarke MP as Minister of State for Regional Growth and Local Government has preceded and potentially precipitated a slower pace on these matters with the White Paper no longer expected imminently.
8. Within this context this paper sets out a range of issues and proposed activity for the City Regions Board to consider with a view to ensuring a continued focus on devolution as a process to strengthen leadership of place and to improve local outcomes.

## **Issues**

### *Policy Principles*

9. To date, the LGA's work on devolution has been informed by a set of broad principles. Reflecting on the developments of the last 12 months the following are proposed as a guide to shape our response to the White Paper in the coming weeks:
  - 9.1. **Devolution deals should be locally led:** there should be no one-size-fits all approach on governance, no standardised deals crafted in Whitehall and those areas able go furthest, fastest should be able to do so.
  - 9.2. **Devolution deals should leave nothing off the table:** councils should be able to access the widest possible set of powers including fiscal devolution and the ability to 'defragment' national agencies at a local level to tackle issues such as skills and unemployment.
  - 9.3. **Devolution must be backed by adequate resources:** any newly devolved powers and responsibilities must be fully funded and sit alongside a long-term sustainable funding settlement for local government.
  - 9.4. **Individual devolution deals must form part of a new push towards localisation:** Whitehall must become more joined up in working with places, powers returning from the EU such as freedoms and flexibility on state aid and procurement should be passed down to the local level, grants and funding from national government should be consolidated around local areas and their needs.
  - 9.5. **English councils must have a stronger voice on the national stage:** commitment to replicating the functions of the EU Committee of the Regions must be delivered, arrangements such as brexit delivery board and ministerial working groups should form basis of new partnership approach which works for all.
10. **Members of the City Regions Board are asked to consider and agree these draft principles as a guide for the LGA's upcoming policy and lobbying work around the Local Economic Recovery and Devolution White Paper to support a focus on improving outcomes through local devolution. These principles were discussed and agreed to by members of the People and Places Board on 15 September.**

*Public Affairs Activity*

11. While it has been reported<sup>5</sup> that the White Paper's publication has been delayed, it is understood that work continues within the context of the Government's commitment to 'levelling up' and supporting a successful economic recovery.
12. In anticipation of a future publication we have continued to take forward work commissioned within the previous board cycle, including: the submission to Government of research by Metro Dynamics into Subnational Governance Structures; the publication of research by Shared Intelligence into the drivers of collaboration in two-tier areas<sup>6</sup>; and, hosting a meeting of the Devolution All Party Parliamentary Group on fiscal devolution<sup>7</sup> drawing on research undertaken by Europe Economics<sup>8</sup>, Localis<sup>9</sup> and WPI Economics<sup>10</sup>.
13. Looking ahead, work is underway to provide members of the People and Places and City Regions Board with an opportunity to engage directly with a Government representative and to use both the HCLG Committee Inquiry and the Devolution APPG Inquiry to further push the case for local devolution and a place based approach across Whitehall. Cllr Susan Hinchliffe Vice Chair of the City Regions Board and Cllr Morris Bright Vice Chair of the People and Places Board have been approached to sit on the APPG Inquiry Panel.
14. In taking forward this work, the LGA will work with the Executive Advisory Board to ensure consistency between our response to the White Paper, our Comprehensive Spending Review submission and the LGA's ongoing #CouncilsCan campaign.
15. **Members of the City Regions Board are asked to consider the range of public affairs activity identified above and provide officers with a steer on any additional elements they would like to see.**

*Responding to the White Paper's Publication*

16. Once the White Paper is published LGA officers will begin to pull together a draft response drawing on existing policy lines and the principles set out above. We will use our existing networks and contacts within the relevant Special Interest Groups and work with the People and Places and City Regions Boards to develop the detail of our response. Working on the basis that consultation arrangements around the White Paper

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<sup>5</sup> <https://www.lgplus.com/politics/devolution-and-economic-growth/fears-devo-white-paper-will-be-watered-down-and-further-delayed-17-09-2020/>

<sup>6</sup>

[https://www.local.gov.uk/sites/default/files/documents/5.87%20The%20Drivers%20of%20Collaboration%20Report\\_05%20%28002%29.pdf](https://www.local.gov.uk/sites/default/files/documents/5.87%20The%20Drivers%20of%20Collaboration%20Report_05%20%28002%29.pdf)

<sup>7</sup> <https://connectpa.co.uk/devolution-appg/>

<sup>8</sup> <https://connectpa.co.uk/wp-content/uploads/2020/09/Fiscal-Devo-Final.pdf>

<sup>9</sup> <https://local.gov.uk/fiscal-devolution-adopting-international-approach>

<sup>10</sup> <https://www.local.gov.uk/tourist-levy-what-where-and-how>

will follow a traditional course, we expect a period of around 12 weeks to respond to the consultation.

17. A detailed engagement timetable will be circulated once the date for publication is known and it is proposed that the LGA's Executive Advisory Board provides final sign-off for the LGA's response.
18. While there remains a degree of uncertainty around the contents of the White Paper it is anticipated that a primary objective will be to set out how local areas will be able to access greater powers to drive economic recovery.
19. Alongside this the White Paper may also contain proposals relating to subnational bodies, business support, health and social care, police and crime commissioners, the repatriation of powers and functions following transition from the EU and the UK Shared Prosperity Fund. Notwithstanding any views members may already have on these matters the LGA will work to ensure that a joint position regarding these matters is agreed with the relevant LGA policy board. In support of this it is proposed that an item on health devolution is considered at the next meeting of the City Regions Board.
20. **Members of the City Regions Board are asked to note the proposed approach to responding to the White Paper, agree that an item be taken on health devolution at the next meeting of the board and that further cross-cutting work will be developed once the detailed proposals from government emerge.**

*Combined Authorities Engagement and Supporting Devolution*

21. The LGA has a programme of support for devolution deal areas<sup>11</sup> and continues to commission research and facilitate a range of thematic discussion groups between senior officers from established and emerging combined authority areas. The publication of the Local Economic Recovery and Devolution White Paper has the potential to herald a significant increase in the number of mayoral combined authorities. This will increase the demand for guidance and support on issues related to devolution and the LGA is already in the process of developing a support package made up of a refreshed online resource, a reconvened officer contact network and commissioned research, which will seek to map out the process of going from striking a devolution deal to delivery.
22. In the longer term the White Paper also creates an opportunity to re-engage the established combined authorities and consider how best to work together in the context of greater incidence of devolved governance. In order to ensure also this meets the needs of constituent local authorities, it is proposed that this programme of engagement will be steered by members of the People and Places and City Regions board. A paper will be brought to the next board meeting setting out the parameters and progress of this work.

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<sup>11</sup> <https://local.gov.uk/devolution-our-offer-support>

- 23. Members of the City Regions Board are asked to note that a range of resources in support of devolution are being developed in parallel to the LGA's policy and lobbying efforts and that a paper will be brought to the next board meeting setting out next steps.**

**Implications for Wales**

- 24. Wales is undertaking its own devolution journey. We work with all UK associations on areas of shared concern associated with devolution to local government.**

**Financial Implications**

- 25. All policy, lobbying and improvement activity arising from this report will be met from existing budgets.**

**Next steps**

- 26. Members of the City Regions Board are asked to:**

- 26.1. Consider and agree the draft principles set out at paragraph 9 as a guide for the LGA's upcoming policy and lobbying work around the devolution and local recovery white paper and to support a focus on improving outcomes through local devolution.**
- 26.2. Consider the range of public affairs activity set out at paragraph 11 – 14 and provide officers with a steer on any additional elements they would like to see.**
- 26.3. Note the proposed approach to responding to the White Paper and agree that an item be taken on health devolution at the next meeting of the board**
- 26.4. Note that a range of resources in support of devolution are being developed in parallel to the LGA's policy and lobbying efforts and that a paper will be brought to the next board meeting setting out next steps.**

## National planning reforms

### Purpose of report

For discussion.

### Summary

The Government has recently published two consultations which include proposals for both long-term structural changes to the planning system in England and more immediate amendments to existing processes.

This report summarises the proposals in those consultations and highlights emerging areas of concern for councils.

### Recommendation

This item is for update and comment.

Board members are asked to feedback on the key issues that need to be addressed in the LGA's consultation responses.

### Action

Officers will use the feedback from Board members to shape the LGA's response to the

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## National planning reforms

### Introduction

1. On 6 August the Government published the [Planning for the Future White Paper](#) consultation paper with proposals for long-term fundamental structural changes to England's planning system. The consultation period closes on **29 October**.
2. Alongside this, they also published the consultation paper [Changes to the current planning system](#) which includes proposals for more immediate amendments to existing processes. The consultation period closes on **1 October**.
3. This report summarises the proposals in the consultations and highlights potential areas of concern for councils. The Environment, Economy, Housing and Transport (EEHT) Board is leading the response to the consultations on behalf of the LGA.
4. The LGA, through the work of the Environment, Economy, Housing and Transport Board, has been lobbying Government for some time on areas of planning that would improve the ability of councils to shape their areas for the benefit of communities, as well as supporting the Government's aim of building 300,000 homes per year. The Board re-confirmed its positions on planning [at its meeting on 19 May](#).
5. LGA officers are currently working with councils to develop the detailed responses to both consultations. This includes: working with our planning officers' steering group to better understand the implications of the reforms; holding webinars for members and officers across local government to gather views and gathering feedback from other LGA Boards, including both the People and Places and the City Regions Boards.
6. To date we have heard a range of concerns from councils. These include:
  - 6.1. The implications of a new 'zoning' system
  - 6.2. The role of councillors in the new proposed system and concern about a reduction in democracy
  - 6.3. The implications of a new system of developer contributions on the provision of affordable homes and infrastructure
  - 6.4. The resourcing of the planning system and its capacity to absorb the proposed changes

- 6.5. The impact of transitioning to a new planning system on investment and housing delivery in the short to medium term
  - 6.6. Changes to environmental assessments
  - 6.7. Changes to the standard method for assessing housing numbers in strategic plans, with concerns being raised both by those who could see their numbers increase and those who could see their numbers reduce
  - 6.8. The lack of additional incentives in the proposals for developers to build-out existing permissions.
7. We will be lobbying to ensure that the concerns of councils are heard in Government. However, we will also want to work pragmatically with officials to try and design the reforms and how they are introduced in the best interest of councils.

## **Background**

8. Following the 2020 Budget, on 12 March the Government set out their plans for housing and planning reform in the policy paper [Planning for the Future](#) (this is separate to the 6 August White Paper). This signalled the use of zoning tools together with other measures.
9. During the COVID-19 pandemic the Government continued to signal its intention to radically reform the planning system. On 30 June the Prime Minister announced that through a “New Deal” to [‘Build, Build, Build’](#), new regulations would be introduced to allow the regeneration of vacant and redundant buildings without requiring planning permission.
10. In July the [Business and Planning Act 2020](#) introduced changes that come into force on 1 September; such as a fast-track process for varying planning conditions relating to working hours on construction sites, time limits for development (extending the dates on which planning permission, outline planning permission and listed building consents might otherwise expire), and planning proceedings (giving the Planning Inspectorate more flexibility in deciding whether certain local planning appeals should be heard by way of written representations, a hearing or a local inquiry). Our [briefing on the Bill](#) noted that during COVID-19 councils had been working with the development industry to get developments moving again as safely as is possible.
11. Also taking effect from 1 September are changes to the [Use Class Order](#), including new use classes Class E (commercial, business and service), Class F1 (learning and non-residential institutions) and Class F2 (local community).
12. We have continued to lobby for a locally led planning system through our [‘Keep Planning Local’](#) campaign, especially as we rebuild and recover from the pandemic. In our recent [post-pandemic planning stimulus package](#) we reiterated the critical role planning

departments played during the pandemic, even though they are increasingly under resourced.

13. To respond to the White Paper and Changes to the current planning system consultations, we will be consulting with members over the coming weeks to ensure we provide a robust, evidence-based response. Going forward it will be important to consider that immediate planning changes will be one of the many challenges that councils will take on in the autumn. The scale of the changes and the process to bring them into use, in conjunction with other legislative changes, needs to be well thought through. We will continue to work with MHCLG to seek to influence the proposals through our engagement with officials and others operating at the centre of Government.

### **White Paper: Planning for the Future**

14. The White Paper proposes a fundamental review of the existing planning system requiring changes to primary and secondary legislation. A number of key proposals, such as having a rules-based system with land divided into three types of areas (Growth, Renewal and Areas that are Protected), have been drawn from [Policy Exchange's think tank report](#) in January, and [subsequent collection of essays](#) in June.
15. The focus of the proposals appears to be on housebuilding and land-use planning, to the exclusion of the many roles planning undertakes to create places. Councils have raised concerns that a wholesale overhaul of the existing system and change to a new system, including its legislation, will create uncertainty and take many years to deliver and implement across all of Whitehall and the wider planning sector such as developers, consultants, lawyers, and academia. Communities need to be made aware about how and when they can engage in the new planning process. In addition, the proposals need to take a more joined up approach, recognising and accounting for changes to other relevant legislation such as the Environment Bill and any changes as a result of the forthcoming Devolution White Paper.
16. After many years of LGA lobbying, the Government has acknowledged that resourcing of planning departments is an area that needs additional support. However, whilst the White Paper identifies a skills strategy for local authorities, there is no detail regarding how this will be resourced. There is considerable concern from councils about their already stretched capacity. Councils will need to upskill officers to undertake the transition process locally and then implement the new planning regime over many years. Planning affects other areas of council business, and any changes to the system will have impacts well beyond planning departments, across all council operations as a whole.
17. Councils are concerned that the proposals will lead to a loss of local democracy, with the removal of the right to be heard in person at plan enquiries, and the removal of democratic accountability of planning applications in growth areas.



18. The White Paper has 24 individual proposals, some with multiple options, across four themes, summarised below:
- 18.1. Planning for development – 30 month deadline for local plans to be in place, streamlined plan-making, a new rules-based system, and standardised digital tools
  - 18.2. Planning for beautiful and sustainable places – locally prepared design guidance and codes, a chief officer for design and place-making in each council, a fast-track for beauty, emphasis on sustainability and energy efficiency to achieve net-zero by 2050
  - 18.3. Planning for infrastructure and connected place – a new Infrastructure Levy to deliver affordable housing
  - 18.4. Delivering change – a resource and skills strategy for the planning sector, strengthened enforcement of powers and sanctions.

*Planning for development*

19. Every area will be required to have a Local Plan developed through a streamlined process whereby councils will need to have an up to date plan within 30 months of the legislation being brought into force, i.e. by December 2023. There will be sanctions for failing to meet this deadline, although this is not elaborated on. Local planning authorities who have adopted a Local Plan within the previous three years or where a Local Plan has been submitted to the Secretary of State for examination will have 42 months from when the legislation is brought into force, or upon adoption of the most recent plan, whichever is later.
20. Local Plans will need to set clear rules rather than general policies for development. General development management policies will now be set nationally in the National Planning Policy Framework (NPPF), with a more focused role for Local Plans in identifying site and area specific requirements, alongside locally-produced design codes.
21. The White Paper proposes early enhanced engagement with neighbourhoods and communities at the Local Plan stage. There is no detail on what the engagement process will be, nor does it recognise the importance of community engagement with developers prior to making their application. Far fewer individual applications will go through planning committees and councillors will not be able to represent their communities where there are local concerns about individual applications. The council and councillors' role in other areas where communities need support such as enforcement is not detailed. Overall the paper does not explain how the new process will help improve better engagement or reach a wider local audience, at the plan making stage; this is particularly problematic when this may be communities only opportunity.
22. Local Plans will need to be significantly shorter, visual and map-based, based on the latest digital technology and standardised using a new template of no more than 50

pages. The current Sustainability Appraisal system will be replaced with a single statutory “sustainable development” test. This will consider whether the plan contributes to achieving sustainable development in accordance with policy issued by the Secretary of State. There will no longer be a requirement to consider viability or a ‘Duty to Cooperate’, although further consideration will be given to strategic cross-boundary issues, e.g. major infrastructure or strategic sites.

23. Local Plans would need to identify all land in one of three categories:

23.1. Growth areas – suitable for substantial development which will receive outline planning permission with no need for planning committee

23.2. Renewal areas – suitable for development, presumption will be in favour of development

23.3. Protected areas – will require full planning permission, and include land such as Green Belt, Areas of Outstanding Natural Beauty, Conservation Areas, etc.

24. The paper proposes two alternative ‘area’ options. The first alternative option suggests combining Growth and Renewal into one land typology (with sub-areas), that would be granted permission in principle, not outline planning permission. A second alternative option, which does not need new primary legislation, would identify only Growth areas and grant them permission in principle.

25. Although not called zones in the paper, the ‘areas’ approach is based on zonal planning systems, first raised in the January Policy Exchange report, followed by the Government’s Planning for the Future policy paper in March. The White Paper suggests that contrary to England, countries where zonal planning systems are used, including Japan, the Netherlands and Germany, provide greater certainty up front. However, the paper fails to recognise that Japan has a top-down system of government and processes; the Netherlands has a spatial planning system whereby decisions are made at the national, regional and local levels and land-use planning is a key spatial planning tool; and Germany, which has a similar spatial planning system to the Netherlands, has a highly devolved system of government. These examples do not provide off-the-shelf options for England and it is therefore unclear how the new areas will work in detail.

26. The White Paper also proposes a new nationally determined binding housing requirement, consistent with the delivery of 300,000 homes annually, that local planning authorities would have to deliver through their Local Plans. This would be focused on areas where affordability pressure is highest. The intention is that it will factor in: land constraints; the size of existing urban settlements; the relative affordability of places; the opportunities to use brownfield land; allowance for land required for other development; and a buffer to ensure enough land is provided. No further details are given, but the

White Paper references changes to the standard method for assessing housing numbers, outlined in the current planning system consultation, which will form part of the process of setting the binding housing requirement.

*Planning for beautiful and sustainable places*

27. Proposals in this section are largely influenced by the Building Better, Building Beautiful Commission's report [Living with Beauty](#). The first includes a proposal to fast-track or expedite 'beautiful buildings'. To do this: the NPPF will be updated to ensure that schemes which comply with local design guides and codes have a positive advantage; by requiring that masterplans and site-specific codes are agreed as a condition of the permission in principle which is granted through the plan; and by widening and changing the nature of permitted development so that popular and replicable development can be approved quickly to enable 'gentle intensification'. The use of 'pattern books' would be reintroduced to articulate standard building types, options and associated rules (such as heights and setbacks) in Renewal areas. There is scant detail about the role of heritage.
28. Additional proposals aim to protect green spaces, allow for more building on brownfield land, and require that all new streets be tree lined. Whilst the paper talks about protecting and promoting the stewardship and improvement of the countryside and environment there is little detail and no mention of farming, agriculture, or ecosystem services.
29. From 2025 homes will be expected to produce 75-80 per cent lower CO2 emissions compared to current levels to become 'zero carbon ready', with the ability to become zero carbon over time. The Government intends to review the Future Homes Standard roadmap to align with this proposal. In [our response to the Future Homes Standard](#) consultation in February 2020, we recommended the more ambitious option for higher fabric standards, and strongly opposed the proposal to restrict local planning authorities from setting higher energy efficiency standards for new homes.
30. There will be a new system for sustainability appraisals (SA) and environmental impact assessments (EIA). No details have been provided. Councils have raised concerns about this, and that the removal of environmental assessments will need to be aligned with the goals of the Environment Bill.

*Planning for infrastructure and connected place*

31. The paper proposes a new Infrastructure Levy to replace the existing developer contributions system of S106 and the Community Infrastructure Levy (CIL). The levy would be charged as a fixed proportion of the development value above a threshold, with a mandatory nationally-set rate or rates. The current system of planning obligations will be abolished. Revenues would continue to be collected and spent locally.

32. In areas where land value uplift is insufficient to support significant levels of land value capture, some or all the value generated by the development would be below the threshold, and not subject to the Infrastructure Levy. In higher value areas, a much greater proportion of the development value would be above the exempt amount, and subject to the Infrastructure Levy. To better support the timely delivery of infrastructure local authorities would be allowed to borrow against Infrastructure Levy revenues so that they could forward fund infrastructure.
33. It is unclear what impact these reforms would have on the overall level of developer contributions and their distribution, or on the number of on-site affordable houses provided. Councils have raised concern that the huge variance in the market value of developments across the country, could result in some areas having greater capacity to benefit and fund local infrastructure needs and secure affordable homes than others. It will be important that local government is involved in the design of any new system for securing developer contributions.

*Delivering change*

34. This final section identifies measures required to transition from our current to the new planning system, and the role of local planning authorities and the Planning Inspectorate in that transition. As new skills will be required in urban design, masterplanning and community engagement, a skills strategy for the planning sector is proposed to support the implementation of the reforms. Local authorities will also be subject to a new performance framework, as well as being required to place more emphasis on the enforcement of planning standards and decisions. It will be important that local government is involved in the design of any new skills strategies.
35. Planning fees would continue to be set on a national basis and cover at least the full cost of processing the application type based on clear national benchmarking. However, the LGA has lobbied for councils' ability to set fees locally to ensure they can recover the true cost of processing applications.
36. Leading local economic recovery will be one of the biggest issues for councils. There needs to be confidence in the current planning system to deliver recovery and kick-start construction projects in the autumn. Many councils have told us that the level of overhaul to the planning system is likely to create significant uncertainty, and that now more than ever we need stability and certainty in planning. We will want to work with the Government on the transitioning process.

**Changes to the current planning system proposals**

37. [Changes to the planning system](#) sets out changes to policy and regulations that can be implemented immediately. It proposes the securing of First Homes through developer contributions. This includes requiring 25 per cent of all affordable housing secured through developer contributions to be First Homes sold at a minimum 30 per cent discount. The proposals also include changes to the standard method for assessing local housing need; temporarily raising the small sites threshold below which developers will not be required to contribute to affordable housing (up to 40 or 50 units) to support SME builders; and extending the current Permission in Principle to major development.

38. On the affordable housing threshold, current national policy is that affordable housing contributions should not be sought for developments of fewer than 10 homes. In designated rural areas a lower threshold of five homes or fewer is allowed. The consultation proposes increasing the trigger threshold so that sites of 40 or possibly 50 homes will be exempt from providing affordable housing. Councils have raised concerns that this could result in increasing numbers of applications below the 40 or 50 site affordable housing trigger, where sites could be delivering more. This could have the unintended consequence of delivering less homes overall, as well as no affordable homes.
39. The Government has indicated that it intends to introduce a First Homes exception site policy to provide affordable housing for local people. In [our response to the First Homes consultation](#) in May we raised concerns that the implementation of First Homes could lead to a significant reduction in other types of affordable homes locally, particularly for those who are currently the least able to afford to buy. We are pleased that the government has listened to our concerns and that 25% of affordable homes will be First Homes, which is considerably lower than the 40, 60 or 80 per cent options outlines in the earlier consultation. However, we remain concerned about the impact of a top-down arbitrary target on the ability of councils to meet local housing needs and will be raising this in our consultation response.
40. We have continued to lobby the Government to support the delivery of 100,000 new social homes per year. In our June 2020 [post-pandemic Housing Stimulus Package](#) we noted that investment in a new generation of social housing could return £320 billion to the nation over 50 years, and as an economic stimulus will grow stronger post COVID-19.

*New method for the standard method of assessing housing numbers in strategic plans*

41. Analysis of the new method reveals that in terms of housing numbers there are some stark impacts in different parts of the country, and across different rural/urban areas. This demonstrates that a nationally set formula will always struggle to reflect local need. Simply raising the numbers without incentivising or compelling developers to build will not lead to more homes. The method also does not appear to support the Government's ambitions to level up and build more on brownfield land in urban areas.

**Next steps**

42. Officers will use members' comments to help shape forthcoming EEHT led workshops being held with members and officers, as well as conversations with MHCLG and our response to the consultations.





## A Vision for Urban Growth and Recovery

### Purpose of report

For direction.

### Summary

This report sets out some of the headline issues affecting urban areas and proposes that the Board commission a piece of research to explore how these might be responded to.

### Recommendation

That the City Regions Board consider the context set out below and agree to the commissioning of external research to support the development of a vision for urban growth and recovery.

### Action

Officers to proceed as directed by members.

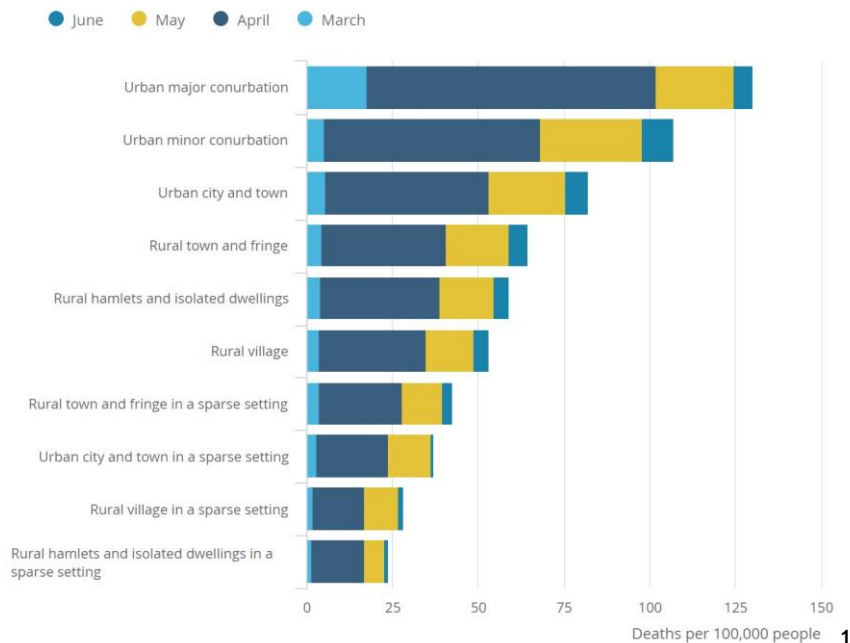
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## A Vision for Urban Growth and Recovery

### Background

1. The last six months have had a profound impact on the people and places of the UK, with an unprecedented level of social and economic disruption that looks set to continue well into the next year.
2. While there continues to be a significant degree of uncertainty regarding the course of the global coronavirus pandemic there is an emerging consensus that communities in urban areas have borne the brunt of the economic lockdown and stand most exposed to any future waves of infection.
3. Research previously commissioned by this Board has articulated some of the key factors contributing to additional cost pressures in urban areas – a separate item on the agenda looks at these in more detail. Recent estimates have also highlighted a link between geography and mortality, with evidence suggesting significantly more people have died as a result of COVID-19 in larger towns and cities.

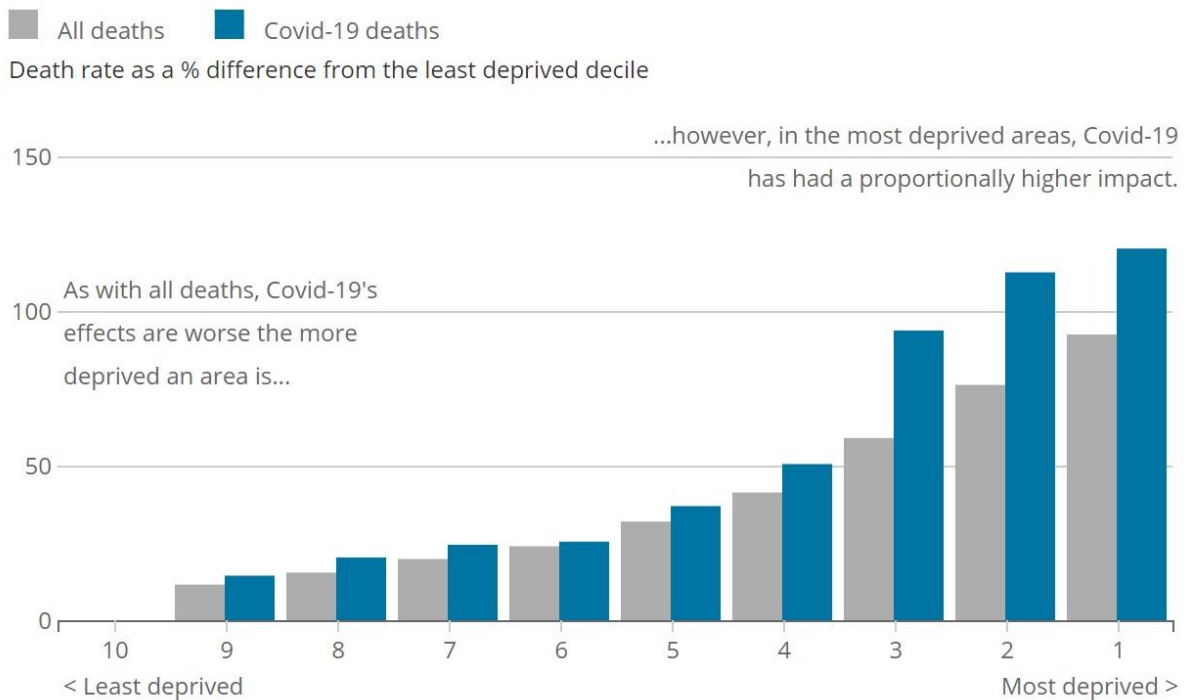
**Age-standardised mortality rate of deaths involving the coronavirus (COVID-19), Rural Urban Classification<sup>1</sup>**



<sup>1</sup> [ONS Statistical Bulletin July 2020](#)



4. It is likely that cities and urban areas will face challenges in recovery owing to high levels of population density, a reliance on mass public transport, changes in working patterns and the continued risk of household and visitor transmission.
5. Analysis by the Office for National Statistics also indicates that COVID-19 has had a disproportionately higher impact on people living in deprived areas. The greatest concentrations of inequality are to be found in urban areas.



2

6. The UK economy is built around concentrations of activity in urban areas. This is supported by long-standing evidence highlighting the benefits of economic agglomeration as a driver of growth and global innovation. Cities are also home to significant levels of cultural and economic capital and, more importantly, communities made up of millions of people.
7. These communities have shown exceptional levels of resilience and courage throughout the pandemic. As the initial focus on emergency response has developed, local leaders have begun to turn their focus from the immediate crisis to the securing a return to their future prosperity.

<sup>2</sup> [ONS Statistical Bulletin July 2020](#)

8. Authorities have been developing recovery plans, which outline their strategies and goals in rebuilding post pandemic. Although each area is unique, and the recovery plans reflect this, there are several common themes. A full recovery requires a return to economic growth, and authorities are best placed to lead this work, which is reflected in recovery plans.
9. Authorities do not want recovery to mean exactly replicating previous conditions. Instead, there is a thread running through many recovery plans around building back in a sustainable way, with an emphasis on green growth. COVID-19 has shown how agile and responsive local government can be in an emergency, and this ability to adapt at pace could be used to respond to the climate emergency.
10. Along with local recovery plans, central government has convened four officer-led task and finish groups to consider different areas of recovery: visitor and rural economies; urban economies; skills; and, business innovation. The LGA has played a supporting role and worked alongside these groups to help focus their asks of government. However, while the output from these groups will be considered by the ministerial recovery board, they have been independently chaired and sit outside the member-led policy development structure of the LGA.
11. Broadly speaking, the short term asks from both local recovery plans and nationally convened taskforces have focussed on increasing financial support, and for greater involvement in decision making bodies on recovery. Longer term asks are centred on looking for opportunities for sharing of information, skills and expertise.
12. Local government has the ambition to lead a local recovery and ‘build back better’ for the benefit of communities and businesses, but it needs support to do this most effectively. There needs to be both additional funding, and clarity about how local government will be funded long-term. The government also needs to unlock the potential for greater collaboration – both between authorities and between local government and business, research and innovation sectors.

### **Issues**

13. The City Regions Board has a key responsibility to consider the immediate issues facing urban areas and help chart a course towards an ambitious vision for recovery and renewal. It also has a vital role in allowing local leaders from urban authorities to collaborate and explore issues of shared concern on a national stage with a pace and perspective that reflects the long-term implications arising from the impact of coronavirus.

14. While suggestions of the whole-sale de-urbanisation UK economy are likely to be overblown, it would be unwise to entirely discount the possibility that changes in working patterns will undergo a complete reversion. Equally, the coronavirus pandemic has exposed issues of inequality affecting urban areas as well the opportunity for pursuing a model of growth that addresses aspects of social and economic justice, while looking ahead to the UK's future prosperity outside the European Union. Put simply, it is difficult to predict how the next few months will pan out and there is a need for elected members to have some space and support to consider how best to respond to the unfolding situation.
15. To this end, it is proposed that the City Regions Board supports the commissioning of external support to gather qualitative and quantitative evidence and facilitate the development of a *Vision for Urban Growth and Recovery*, with the intention of a report being published in late spring, early summer 2021. Where possible this work will draw on the evidence already provided through Local Industrial Strategies, Local Recovery Plans and national policy announcements.
16. If members are agreed to this course of action, it is suggested that the following areas are used to frame the scope and scale of the commission:
  - 16.1. Recognise and respond to the distinct inequalities facing urban areas that have been exposed by the coronavirus pandemic.
  - 16.2. Take account for the spatial and demographic factors that might constrain or enhance future opportunities for urban recovery and growth
  - 16.3. Reflect on developments affecting the global economy and the role of technology in connecting urban communities and businesses to these opportunities
  - 16.4. Quantify the benefits and/or opportunity cost of failing to fully support the future prosperity of urban areas
  - 16.5. Identify the key interventions and the most appropriate institutions for their execution.

#### **Next steps**

17. The City Regions is asked to consider and agree to the proposal to commission external support focused on the development of a vision for urban growth and recovery.

**Implications for Wales**

18. The LGA has worked closely with the Welsh Local Government Association and the associations of the other devolved administrations throughout the coronavirus pandemic and will continue to do so through the process of recovery.

**Financial Implications**

19. Project costs related to the commissioning of any external support will be met from the board's policy budget.

## Subnational Bodies

### Purpose of report

For information.

### Summary

This paper updates City Regions Board Members on the actions taken following the recent completion of commissioned research to explore the lessons learned from established and emerging sub-national bodies. This is in advance of a visit from Lord Jim O'Neill, Vice Chair of the Northern Powerhouse Partnership, to the Board who will reflect on the report and share his thoughts regarding the proposition of a new Growth Board for the North.

### Recommendations

Members are asked to:

1. **Note** the publication and recommendations of research into sub-national growth bodies.
2. **Consider** and form a collective view around what the remit, functions and accountabilities should be for a Growth Board for the North and the role the LGA should play in developing this work.

### Action

Officers to further work in relation to the proposed Growth Board for the North.

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## Subnational Bodies

### Background

1. Building on the LGA's work to support the development of successful Local Industrial Strategies, strengthen England's trade and investment landscape and with a view to influencing the English Devolution White Paper, a research commission was issued in early February 2020 in order to better understand the functions and potential future of both established and emerging sub-national growth bodies.
2. Following an open procurement process Metro Dynamics were awarded the contract and, over the following months, carried out a wide range of interviews and desktop research relating to eight subnational bodies: the Northern Powerhouse (NP11 and Transport for the North); the Midlands Engine; Midlands Connect; Western Gateway; the Oxford-Cambridge Arc; the Great South West Partnership; and, Transport for the South East.
3. Research representatives from Metro Dynamics attended the last board and presented an overview of key findings alongside questions for the Board to consider. The report is now finalised and sets out the evolution of subnational bodies in England; provides detailed case studies of established and emerging subnational bodies; considers the lessons learned from these organisations; and, looks at the potential implications within the context of the forthcoming Devolution White Paper. The full report can be found [here](#).
4. Prior to the launch of the report, a letter was sent from the Chair of the City Regions Board to the then Minister of State for Regional Growth and Local Government. The letter highlighted the key recommendations from the report and urged him to give serious consideration in the development of the forthcoming Local Economic Recovery and Devolution White Paper. In summary, the key recommendations from the report are as follows:
  - 4.1. **Further devolution** – The pre-condition for successful subnational working is strong and empowered local government. Therefore, devolution needs to be extended across all of England, mayoral combined authorities should be further strengthened so they can lead social and economic recovery and renewal, and subnational bodies should be at the level at which the local meets national through a pan-regional partnership.
  - 4.2. **Economic recovery and levelling up** – There should be a systems approach to economic recovery and levelling up, with clarity about the role of each level in this process. Mayoral combined authorities, councils and LEPs should drive recovery and building back better at a city region level, subnational bodies should have clear remit in a national plan for economic recovery, renewal and levelling up and this should be supported by a process that hardwires this approach into Whitehall.

- 4.3. **Functions** – Some functions that could be best performed at subnational level to drive economic renewal and levelling up could include a subnational partnership agreement on pan-regional industrial priorities, a pan-regional equity investment fund, devolution of statutory functions and budget for transport and infrastructure, trade and international investment with devolution of Department for International Trade functions and creation and consolidation of economic observatories.
- 4.4. **Governance** – For partnerships receiving Government funding, governance principles should support local and national partnerships and emphasise complementarity and additionality to the role of mayoral combined authorities, councils and LEPs. This means a form of governance that is representative of local government and geographically complete, includes key figures from regional business, LEPs and universities and has an independent chair agreed by all partners.
5. The Prime Minister has publicly declared an intention to create a Growth Board for the North to ‘level up’ prosperity across the country by creating a new body to drive economic growth in the north of England. It remains unclear whether this intention persists and how it will be acted upon. In particular, there is uncertainty around what the body’s remit would be, who it would be accountable to, what its responsibilities would be as well as questions around the relationship it would have with other Mayoral Combined Authorities and LEPs.
6. Following a suggestion at City Region Lead Members, Lord Jim O’Neill, Vice Chair of the Northern Powerhouse Partnership has agreed to come along and provide members with his reflections on the report and his thinking around the formation of a new Growth Board for the North.

### **Next Steps**

7. Following the boards consideration of the research and the discussion with Lord O’Neill members are asked to reflect on the potential opportunities for further activity in this area and steer officers as to the issues of priority.

**Appendix A: Lord Jim O’Neill of Gatley – Vice Chair of the Northern Powerhouse Partnership**

Lord Jim O’Neill is currently the vice-chair of the Northern Powerhouse Partnership and a member of Shelter Social Housing Commission. Since leaving government in September 2016, having been Commercial Secretary to the Treasury, Jim moved to the crossbenches of the House of Lords.

From 2013 to 2014, he chaired the Cities Growth Commission in the UK, which formed the impetus for the government’s policy on devolution as well as the concept of the Northern Powerhouse. Prior to this, Jim worked for Goldman Sachs between 1995 and April 2013 and spent most of his time there as chief economist.





## City Regions Board Update

### Purpose of report

For information.

### Summary

This paper provides members with a brief update on issues and policy areas not covered by other items on the agenda.

### Recommendation

Members are to note the contents of the report.

### Action

Officers to take forward any comments from members.

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## City Regions Board Update

### EU Funding, the UK Shared Prosperity Fund and Growth Funding

1. A key priority of the LGA is to ensure that the ESIF programme is fully realised. The Government has prioritised using the new European Commission flexibilities to help tackle COVID-19 and the economic recovery. LGA members of the Growth Programme Board has helped secure funding for social distancing measures in high streets as well as grants for the visiting economy and SMEs delivered through Growth Hubs from the ERDF programme. From the ESF programme, funding will be used to support areas tackling the digital divide.
2. The remaining ESIF programme (through the reserve fund) runs until the end of 2020 with 3 years further to deliver programmes, with flexibilities allowing programmes to be commissioned beyond the end of 2020. The Government has confirmed that it is likely that the UKSPF will be operating from April 2021. While there is no longer a funding cliff edge, there is uncertainty for essential employment and SME support programmes that are due to end before April 2021.
3. Through press and Government channels the LGA has raised concerns that the ESIF programme will not be fully spent due to the centralised, bureaucratic and lengthy appraisal process that DWP chose to adopt to manage the ESF programme. DWP have introduced measures and additional capacity which has started to see improvements, including halving the number of applications awaiting appraisal. Growth Programme Board Members will monitor progress. The key issue now is to make sure that Government does not make the same mistakes when designing the domestic replacement – the UKSPF.

### *The UK Shared Prosperity Fund and wider Growth Funding*

4. There continues to be a lack of detail regarding the design of the domestic replacement for the ESIF Programme – the UK Shared Prosperity Fund. This is despite the LGA making representations to Government for the need to provide clarity.
5. The Government has indicated there will be a cross departmental review after the Comprehensive Spending Review and the UKSPF is one of the LGA's key asks. In addition, members have made representations at the Ministerial Local Transition Delivery Board based on the LGA's key lines. The Government has also indicated that the UKSPF will likely be introduced in April 2021, leaving little time for consultation. It is therefore essential that Government codesign UKSPF with councils and combined authorities as a matter of urgency.
6. The LGA are commencing the organising of a stakeholder roundtable on wider growth funding. This is to develop a cross sector partnership to provide clear, consistent and

coherent input to government on the future of local economic growth funding. It will also foster strong collaboration between partners with an interest in growth funding and understand the funding streams that are needed to help local communities recover from the Covid-19 crisis, and achieve the Government's commitment to "levelling up", tackling inequalities and increasing prosperity. Members are welcome to contribute any thoughts towards the event.

### **Economic Recovery**

7. The LGA continues working with the Government on economic recovery. As outlined at the previous board meeting, the Ministerial Economic Recovery Group continues to meet on a regular basis. The group has cross party representation from the LGA and is chaired by Simon Clarke. It also includes Core Cities, Key Cities, District Councils Network, County Councils Network, Association of County Chief Executives, the M9 Mayors and the LEP Network. It has been one of our routes for lobbying around the recovery. These meetings initially began to address issues around the reopening of the economy and the management of the public realm. Over the past few meetings they have become more focussed around specific sector issues.
8. At the most recent meeting on 24th June the group discussed **Employment and Skills**. The LGA lines on employment and skills, previously discussed and agreed in P&P and Cities Boards, formed the basis for these discussions. There was a good degree of consensus across councils and combined authorities about the importance of an approach which involved co-designed programmes with local delivery. Ministers are keen to continue to work with councils on these issues. The group will next be meeting in September.
9. The Ministerial Group is also being supported by a series of officer led working groups. These groups have an LGA officer sitting on all of them and cover a range of issues including:
  - 9.1. Labour markets and skills
  - 9.2. Business communities and sectors
  - 9.3. Rural recovery
  - 9.4. Urban recovery
10. **The Rural and Visitor Economies Group** is jointly chaired by a county and a district chief executive, nominated by the County Councils Network and District Councils' Network respectively. The remaining members are made up of other district and county chief executives and LEP representatives. The group has been tasked to look at what

short term interventions Government could make to spur on visitor and rural economic recovery. The Group will meet again towards the end of September and will submit a paper to the main officer-led Recovery group for consideration.

11. **The Labour Market, Employment and Skills Task and Finish Group**, is jointly chaired by a council and a combined authority chief executive and brings together representatives from the M9, Core Cities, LGA, DCN, CCN and the LEP Network. Its aim is to develop the place angle to jobs / skills recovery issues. To date, it has met twice and focused on shaping Kickstart. Alongside this, we have also developed information that might be useful to councils should they wish to get involved in coordinating or delivering the programme with JCP locally. Further meetings are expected to include a focus on apprenticeships and adult retraining.
12. **The Urban Recovery Task and Finish Group** is chaired by a combined authority chief executive and has focused on a three-phase approach to urban recovery: reactivating urban economies; levelling up people and places; growing resilient and inclusive future economies. Policy proposals have included: developing place-drive partnerships; improving liveability; strengthening community cohesion; growing innovation; and, improving connectivity.
13. **The Business Communities and Sectors Group** is chaired by a LEP chief executive and has focused on three areas: supporting place based innovation; business access to finance; and, internationalisation.
14. Alongside our policy and lobbying work with Government the LGA is also monitoring the key issues for councils around recovery at a local level, these include:

#### Education

- 14.1. In predominantly rural areas where many pupils are reliant on school transport to attend school, access to education may be harder. Either these services may have stopped, or previously operated close to capacity, making it difficult to socially distance. As most schools return to full capacity in the autumn, pupil transport will become a bigger issue.

#### Economic Growth

- 14.2. Areas with struggling high streets are likely to face challenges in recovering from lockdown, as businesses are either not in a financial position to re-open, or if they do re-open find that much of their business has moved online in the preceding months.
- 14.3. The £50m Safer Reopening of High Streets Fund to councils was a helpful step in the initial phase of coming out of lockdown, but councils have found that there were

too many limitations on it, and additional funding will be needed to rebuild healthy high streets.

- 14.4. Areas dependent on one industry, such as those near airports with a high proportion of residents working in the aviation sector, still require funding from Government for specific issues otherwise regional recovery will be hampered. This is also an issue for predominantly rural areas highly dependent on a specific sector for employment – there are 37 specific sectors that provide at least 5% of employment in one or more predominantly rural area.

#### Sustainability

- 14.5. Urban areas have moved quickly to install new cycle lanes, modal filters, and widen pavements to encourage active travel and reduce air pollution and carbon emissions. Many of these changes were made on a temporary basis, and there is likely to be a period of readjustment as some of these changes are made permanent, while other, less successful or popular changes are removed.
- 14.6. Improving sustainability through travel is likely to be a greater challenge in rural areas, where it is less possible for many residents to exclusively travel by cycling, walking and public transport.
- 14.7. COVID-19 has led to many projects (such as those on energy efficiency in the home) being paused. As lockdown is eased, these projects can resume, but there remains a challenge about how to carry these out in a safe, socially distanced way.

#### Culture and tourism

- 14.8. Many cultural organisations (such as theatres) are still unable to open, and we expect that cultural organisations are likely to be among the slowest to recover. This presents significant challenges for regions dependent on visitors to cultural sites for income, as the furlough scheme is likely to end before these venues are able to return to capacity.
- 14.9. The tourism industry has been hit hard by COVID-19, with fewer international visitors this year, and although more UK residents are holidaying domestically this year, there is still likely to be a significant financial gap for regions particularly dependent on tourism. Visit Britain forecast a central scenario (as of June 30<sup>th</sup>) of £39.2bn in domestic tourism spend in England in 2020, down 48% on 2019 when spending by domestic tourists in England was £75.9bn.
- 14.10. Extremists may continue to use the post-COVID landscape to further their narratives; economic decline and rising inequality (or perceptions of these) in particular, have traditionally provided fertile territory. As protective instruments such as the furlough scheme and pause on evictions are removed as lockdown

eases, regions with strained community relations are likely to be at greater risk of rising extremism.

14.11. COVID-19 has exacerbated existing inequalities, meaning the gaps between regions are likely to become wider too. Urban areas have slightly higher levels of inequality than rural areas, with a greater gap between the number of areas in the upper and lowest quintiles. Between April 2020 and May 2020 the number of people claiming Universal Credit or Job Seeker's Allowance increased by 24 per cent in predominantly rural areas compared with an increase of 30 per cent in predominantly urban areas.

#### Key issues coming out of local lockdowns

14.12. There has been a lack of local lockdown recovery plans in areas under observation. Currently Leicester is the only area with a local lockdown recovery plan. Other areas only have wider post COVID-19 Recovery Plans which mostly focus on economic recovery and renewal.

14.13. There have been challenges in managing large scale sporting events and permissions being given to open at a national level e.g. horse racing events, but no choice in doing so. There have been many challenges at managing such events at council level, e.g. volumes of racegoers travelling around, public transport, policing etc.

15. The LGA has also identified improvement funding to support the work of councils on economic recovery. Potential projects have been identified focussing on:

15.1. Jobs and skills planning

15.2. Developing the local digital economy

15.3. Councils role in developing diverse and successful micro-businesses

15.4. Toolkit for areas which have lost a major employer

15.5. Action learning sets for councils focussed on recovery

#### **Spending Review**

16. In late July the Chancellor re-launched the 2020 Spending Review process, with a deadline for submissions of 24th September. The Spending Review will cover three years' worth of day-to-day spending and four years' worth of capital spending and will set

the scene for the rest of this Parliament. The LGA is currently in the process of making its submission to Government.

17. The devolution of funding and powers will be a fundamental element of the entire response. Some of our key asks will focus on lines agreed at City Regions Board on:

17.1.Fiscal devolution

17.2.Skills and employment

17.3.UK Shared Prosperity Funding

18. With the recent announcement of the cancellation of the autumn budget and the Treasury's intention to focus on immediate economic issues officers will give further consideration to how this could shape our future economic recovery work.





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## Note of last City Regions Board meeting

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**Title:** City Regions Board  
**Date:** Wednesday 17 June 2020  
**Venue:** Online Meeting, 18 Smith Square, London, SW1P 3HZ

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### Attendance

An attendance list is attached as **Appendix A** to this note

### Item Decisions and actions

#### 1 Chairs Welcome, Apologies, Declarations of Interest

The Chair welcomed members to the meeting and thanked LGA Officers for their hard work during the pandemic.

#### 2 LGA statement on local government's commitment to tackling racism

The Chair introduced the item, giving a short statement on the state of equality in the communities across the UK, while noting the progressive road that Local Government is on.

Mayor Marvin Rees updated members on the local picture from Bristol and reflected that tackling poverty was a key aspect of working towards greater equality.

#### Decision

Members noted the statement.

#### 3 Urban Cost Pressures

Steve Hughes, WPI Economics gave a presentation on commissioned research looking at Urban Cost Pressures, highlighting five main messages for Local Government:

1. Welfare reform is regarded as having made a major contribution to homelessness increases in urban areas.
2. Effective prevention is essential to being on top of homelessness problems.
3. There are barriers to building the homes that urban areas know that they need.
4. Urban housing markets can change quickly, and for a variety of reasons.
5. Suitable quality housing is a constant worry when addressing homelessness.

Members made the following points:

- There needs to be a greater sense of wraparound care to those who present as homeless, with all their layered problems. Cities are places where homelessness can really grow unchecked.
- The points raised in this presentation needs to be shared with health and wellbeing colleagues to ensure other sectors within local government understand the greater impact.
- There needs to be more evidence-based research for the government to listen,

as well as a greater look at the impact at Covid-19

Steve Hughes responded

- From the interviews with stakeholders, homelessness and the link with cities will have a place within the report.
- Rough sleeping and Covid-19 will be an important dynamic going forward, and greater funding for these rough sleeping schemes need to be fulfilled by central government.

#### **Decision**

Members agreed following the presentation the direction for the concluding phase of this work.

### **4 Sub-national Bodies**

Ben Lucas, Metro Dynamics gave a report on subnational bodies and highlighted that political and economic circumstances have significantly changed in 2010, 2016, and again since the 2019 election:

- City regions have grown
- There has been a new focus on towns and left behind places
- The UK has left the EU and is looking to new trading relationships with the world
- The economic impact of the Covid-19 pandemic will be felt across the country

Members made the following comments:

- Sub national bodies like Transport for the North are not the best examples of democratic engagement. There needs to be greater scrutiny of these bodies and more democratic elements.
- There needs to be a strengthening of sub national bodies, like the Northern powerhouse, to support a wider devolution powers from Westminster.
- This presents an opportunity to set out what is needed to make that shared presence as effective as it needs to be for transport sub national bodies.

#### **Decision**

Members noted the presentation and approved the direction of the final report.

### **5 Past the Peak**

Esther Barrott gave a presentation highlighting the findings of the research and set out how Members can better understand the impact of COVID-19 on their local areas to assist with long-term sustainable economic resilience.

#### **Decision**

Members noted the presentation

### **6 Employment and skills recovery**

Ian Hughes introduced the report and commented on the employment and skills



concerns throughout the recovery during Covid-19. Ian Hughes highlighted the high numbers of those joining universal credit, councils need to see support nationally and locally to work with those who are unemployed. New ways of working need to be identified to ensure support is offered across the country

Ian Hughes concluded that work is still ongoing on what to do next, but the board will be a critical part of the work.

Members made the following comments

- Newcastle and other northern councils have been talking to DWP regionally to try and understand the changing picture for employment and the risks in the area. The DWP needs to engage strategically around the national labour market interventions. The LGA is ideally placed for these discussions and there is also some potential for some direct conversations with local authorities
- A dialogue is needed from national government on how to go forward to ensure that a strategy is not rolled out, without greater local government input.
- As BAME residents are seeing disproportionate levels of unemployment right now, plans are needed to address this issue.
- The Apprenticeship Levy is a good example of making more of existing resource that already sits in the system.

#### **Decision**

Members noted the update and agreed the LGA's current position

### **7 Project on Place Based Employment and Skills Commissioning**

Jasbir Jhas introduced the report and highlighted how the agenda has moved from policy work, to practical elements of employment and skills for member councils to make use of.

#### **Decision**

Members noted the report

### **8 Case study report on evolving commissioner role of combined authorities**

Jasbir Jhas introduced the case study report that the Learning and Work Institute commissioned the LGA to develop, charting this evolving commissioning role.

#### **Decision**

Members noted the report

### **9 UK Shared Prosperity Fund and Growth Funding**

Paul Green provided members with an update on the UKSPF and the European Structural and Investment Fund programme considering the COVID-19 pandemic and local economic recovery.

Members made the following comments

- There is no agreed position on if UKSPF will come straight to Welsh local government or via the devolved government. It would be best placed within local government.

**Decision**

Members noted the update.

**10 End of Year Report**

Thomas French introduced the report, which provides an overview of the issues and work the board has overseen during the last year.

Members made the following comments

- Recovery and growth after covid-19 needs to be a strong priority in 2020/21.

**Decision**

Members noted the report.

**11 Note of the Previous Meeting**

Members agreed the minutes of the previous meeting.

**Appendix A -Attendance**

Position/Role	Councillor	Authority
Chair	Sir Richard Leese CBE	Manchester City Council
Vice-Chairman	Cllr Abi Brown	Stoke-on-Trent City Council
Vice-Chair	Cllr Susan Hinchcliffe	Bradford Metropolitan District Council
Deputy-Chair	Cllr Anita Lower	Newcastle upon Tyne City Council
	Cllr Gillian Ford	Havering London Borough Council
Members	Cllr Robert Alden	Birmingham City Council
	Cllr Donna Jones JP	Portsmouth City Council
	Cllr Joanne Laban	Enfield Council
	Cllr Toby Savage	West of England Combined Authority
	Mayor Joe Anderson OBE	Liverpool City Council
	Cllr Shaun Davies	Telford and Wrekin Council
	Cllr Martin Gannon	Gateshead Council
	Mayor Marvin Rees	Bristol City Council
	Cllr Debbie Wilcox	Newport City Council
	Cllr Peter John OBE	Southwark Council
	Cllr Danny Thorpe	Royal Borough of Greenwich
	Cllr David Mellen	Nottingham City Council
	Cllr Sean Fielding	Oldham Metropolitan Borough Council
	Cllr Shama Tatler	Brent Council
	Cllr Gareth Roberts	Richmond upon Thames London Borough Council
Apologies	Cllr Julie Dore	Sheffield City Council
	Cllr Timothy Swift MBE	Calderdale Metropolitan Borough Council

