

City Regions Board

Agenda

Wednesday, 24 March 2021
1.00 pm

Online via Microsoft Teams

City Regions Board
24 March 2021

There will be a meeting of the City Regions Board at **1.00 pm on Wednesday, 24 March 2021**
Online via Microsoft Teams.

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 3263	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

LGA Contact:

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City Regions Board – Membership 2020/2021

Councillor	Authority
Conservative (5)	
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
Substitutes	
Cllr. Barry Anderson	Leeds City Council
Cllr. Daniel Fitzhenry	Southampton City Council
Cllr. Julia Lepoidevin	Coventry City Council
Labour (14)	
Sir Richard Leese CBE (Chair)	Manchester City Council
Cllr. Susan Hinchcliffe (Vice-Chair)	Bradford Metropolitan District 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. 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
Cllr. Elise Wilson	Stockport Metropolitan Borough Council
Cllr. James Swindlehurst	Slough Borough Council
Substitutes	
Cllr. Jason Brock	Reading Borough Council
Cllr. Graeme Miller	Sunderland City Council
Cllr. Samantha Dixon	Cheshire West and Chester Council
Liberal Democrat (2)	
Cllr. Anita Lower (Deputy Chair)	Newcastle upon Tyne City Council
Cllr. Gareth Roberts	Richmond upon Thames London Borough Council
Substitutes	
Independent (1)	
Cllr. Gillian Ford (Deputy Chair)	Havering London Borough Council
Substitutes	
Cllr. Phelim MacCafferty	Brighton & Hove City Council

Agenda

City Regions Board

Wednesday 24 March 2021

1.00 pm

Online via Microsoft Teams

UNRESTRICTED ITEMS

Item	Page
1. Chair's Welcome, Apologies and Substitutes and Declarations of Interest	
2. Membership Changes	
Cllr James Swindlehurst is to be moved from a substitute to a full Board Member to fill the Labour group's vacancy.	
3. Minutes of the last meeting	1 - 10
4. Education to Employment: supporting youth participation	11 - 18
5. Higher Education Institutions (HEI) Funding and 'Levelling Up'	19 - 26
6. Budget Update	27 - 34
7. Equalities Update	35 - 40
8. City Regions Board Update report	41 - 48
9. UK State Aid Regime	49 - 52

CONFIDENTIAL ITEMS

Item	Page
10. Update on A Vision for Urban Growth and Recovery	53 - 102
11. Discussion document on the Further Education White Paper	103 - 114

Date of Next Meeting: Wednesday, 16 June 2021, 1.00 pm, Venue TBC

Note of last City Regions Board meeting

Title: City Regions Board
Date: Wednesday 27 January 2021
Venue: Online via Microsoft Teams

Attendance

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

Item	Decisions and actions	Action
1	Welcome, Apologies and Substitutes and Declarations of Interest The Chairman welcomed Members, officers, and guests to the meeting. No apologies for absence had been received. No declarations of interest had been received.	
2	Urban Growth and Recovery The Chairman invited Glenn Athey, Principal Consultant - Cambridge Econometrics, and Eleanor Law, Adviser, to introduce the report and present a series of slides to the Board. Eleanor briefly introduced the report which provided Members of the Board with an update on the "Vision for Urban Growth and Recovery" work, which was agreed at the meeting of the City Regions Board on 30 September 2020. Glenn presented a series of slides which set out the project's progress to date in relation to driving national economy and growth and welcomed comments and questions from Board Members. Members made the following comments: <ul style="list-style-type: none">• How will less offices and increased working from home affect younger people? Age and home conditions need to be considered, there will be implications on staff that need to be recognised.• We need to consider the role of urban areas in relation to the rural areas around them. In terms of regeneration, regenerating an urban area affects the areas around them in terms of the positive nature of the economy that's created.• Digital exclusion is a problem for our children and young people in terms of accessing education. It will continue to be a problem because the jobs that will be lost are likely to be replaced with jobs	

that need more digital competence than the ones that people had before in hospitality and retail sectors. As city leaders and city councillors, we must ensure that we do all we can to equip people with jobs as we come out of this difficult time.

- In terms of gender balance and equality, I am pleased to see reference to Black, Asian and Minority Ethnic (BAME) communities but we need to do more, specifically with regards to the economy and the impact on women moving forward (caring professions, flexible working etc).
- Many towns have untapped potential to stimulate the high street and economic growth locally. There is an opportunity for niche businesses to start and if they are supported, we could see business growth, reinvigorate smaller towns and high streets, and make it better for people that live in these smaller areas.
- Towns, cities, and villages need to work in partnership to ensure that residents see the growth that we're all collectively trying to achieve and the success that we want for everyone that we represent.
- In terms of universal credit, how will that impact regeneration?
- We need to look at our relationship with the benefits system in relation to increased poverty in urban areas.
- In order for local authorities to lead the recovery, we need both adequate financial capacity and financial stability, long-term settlement is a key element of that.
- Equality and deprivation issues are predominant within urban areas and must be addressed.
- Covid-19 has decimated public transport. It's important to think about the contribution of severed transport links to impacting and slowing recovery.

Glenn and Eleanor noted the comments and concerns raised by Members of the Board.

Decision:

Members noted the report.

Action/s:

Officers to continue to work with Cambridge Econometrics to submit a further report to the Board in March 2021.

3 Youth Employment and Skills Update

The Chairman invited Bushra Jamil, Adviser, to introduce the update report.

Bushra introduced the report which provided an update on the development of a youth participation and employment and skills policy which related to young people.

Members made the following comments:

- As a result of budget cuts to local authorities and the loss of money experienced from COVID-19, we need to continue to ensure that young people are supported to get on the career ladder and tackle youth unemployment.
- With regards to apprenticeships, only 8 per cent London businesses employ apprentices. The retention scheme is masking a whole wave of youth unemployment to come and we really need to think about what economic recovery looks like.
- This is a complicated part of our work and there must be some evidence which relates to which type of schemes work best in terms of reducing youth unemployment.
- Many of our NEET young people lack foundation-level skills and some provision needs to be in place before they are ready to move onto more technical skills, so there needs to be a mixed provision in terms of how we address the needs of NEET young people.
- In relation to paragraphs 20 and 21 in the report regarding post-16 Special Educational Needs and Disability (SEND), whilst all local authorities are faced with pressures and overspends on budgets, there is an opportunity here to deliver better outcomes by having provision much closer to where vulnerable young people live, but to deliver it at much better value to the taxpayer. We mustn't lose sight of the potential to do things more efficiently.
- With regards to post-16 SEND provision and apprenticeships, as local authorities, we don't have the powers or funding available to support these complex areas.
- Partnership working is really important with regards to T Levels. There are colleges in the Further Education (FE) sector who are undertaking strong, innovative work and engaging with employers on delivering T Levels, so we need to pick up best practice work closely with the sector.
- With regards to the FE reform white paper, are we engaging with government?

Bushra responded to comments made by members:

- In terms of Kickstart opportunities, we're continuing to work closely with our workforce development team and want to establish career paths for leavers. This is an area that we will be developing and looking at the other available opportunities for these young people. However, this can be challenging within the public sector as there are shrinking workforce-related issues.

- With regards to the FE reform white paper, we are in the process of developing a response to government. It was launched last week so the LGA is working on a position paper and we hope to engage with the DfE in relation to this.

Decision:

Members noted the report and agreed to provide comments/steer in relation to plans for progressing the policy.

Action/s:

Officers to provide an update on the LGA's response to the FE reforms white paper at the next City Regions Lead Members meeting.

4 Local Government preparedness for EU Exit

The Chairman invited Paul Green, Adviser, to introduce the report.

Paul introduced the report which updated the Board on UK-EU Trade and Cooperation Agreement, and the work that the LGA had been undertaking to support councils in preparing for Britain's exit from the EU and the end of the transition period.

Members made the following comments:

- The government should be addressing the issues associated with COVID-19 and Brexit-related costs that local authorities continue to be burdened with. I am concerned about increased bureaucracy at a later stage.
- With regards to paragraph 13 within the report, the more that the LGA liaises with the Welsh LGA (WLGA) the better.

Paul responded to comments made by Members:

- We have raised the issue of increasing demand in regulatory services with government. As checks increase, there will be a lot of demand on their time with a very limited pool of staff.
- The WLGA and the LGA regularly work closely together on the transition board and will continue to do so.

Decision:

Members noted the report.

5 UK Shared Prosperity Fund

The Chairman invited Paul Green, Adviser, to introduce the report.

Paul introduced the report which updated Board Members on the UK Shared Prosperity Fund (UKSPF) and sought Members' steer on

engagement with the Government in shaping the fund.

Members made the following comments:

- We need to keep a close eye on the announcement from Robert Jenrick which stated that the UKSPF will go through local authorities and not Local Enterprise Partnerships (LEPs).
- In Robert Jenrick's announcement, he indicated that modelling work would be undertaken to ensure that money was allocated proportionally to the places that needed it most.
- Whilst we all work well with our local MPs and they're good at lobbying nationally for us when needed, from an LGA point of view, there is a bit infringement on local councillors' responsibilities in getting MPs more involved in day-to-day decision making.
- With regards to education and training, this report refers to the European Structural and Investment Funds (ESIF) funding and the specific projects that are in place to keep young people in education and employment, we therefore need to keep a close eye on what's going to happen with the UKSPF. Also, with regards to the Erasmus Programme and the replacement touring in relation to training opportunities, will that be funded separately?
- This needs to be evidence and criteria based. The functions previously carried out by the Committee of the Regions should be brought back to the UK on a non-statutory basis, that's something that the LGA should push back on and insist that local government should have a statutory right to be consulted on issues that impact local government and local communities.

Paul responded to comments made by Members:

- There are concerns that this might be a centralised bidding pot, which is something that we need to flag up further in our lobbying to ensure that the funding is allocated based on need rather than the competitive element.

Decision:

Members noted the report.

6 Update on health devolution and NHS England and NHS Improvement (NHSEI) consultation on integrated care systems (ICSs)

The Chairman invited Eleanor Law to introduce the report.

Eleanor introduced the report which provided Board members with an update on the joint meeting of the People and Places, City Regions, and Community Health and Wellbeing Board Lead Members, and the LGA's response to the NHS England and NHS Improvement consultation on Integrated Care Systems (ICS). She confirmed that she would submit a further update report to a future meeting of the City Regions Board, should

the NHS or the Department of Health provide further information with regards to the NHS bill.

Members made the following comments:

- There is no consistency at all around the country with regards to the proposals.
- We need to have devolved decision-making to have influence over our local health service. Some local authorities have been badly burnt by decisions made in relation to shifting services and continue to take the blame and backlash for decisions that they have not made. It's important to be clear about lines of responsibility and involvement and how we're delivering positive outcomes.
- There is an assumption that the NHS make decisions solely on the basis of medical criteria, but decisions have been made on some occasions because hospitals are fighting for areas of particular expertise.
- There is sensitivity around border areas.
- I hope that we are going to retain the focus on health devolution and sustainable goals in relation to climate and air-quality.

Decision:

Members noted the report.

Action/s:

Officers to continue to work with councils and NHS England/NHS Improvement to look in detail at options proposed and continue to update Members on the outcome of the consultation.

7 Mid-Year Review

The Chairman invited Sonika Sidhu, Principal Policy Adviser, to introduce the report.

Sonika introduced the report which enabled Members to review the current work programme. It outlined the key issues which were likely to influence the work areas of the City Regions Board in 2021 and provided Members with an opportunity to flag up future areas of interest or any additional focus which they would like within the current work programme.

Members made the following comments:

- With regards to temporary accommodation, what we can do to ensure better regulation and enforcement and bring temporary accommodation-related issues to meetings for discussion?
- In relation to the future of the workplace, public realm and the

workplace environment is going to be a crucial factor and clean air for urban places.

Decision:

Members noted the report.

Action/s:

Officers to provide an update to Members of the Board which focuses on temporary accommodation.

8 Spending Review: Key Issues

The Chairman invited Sonika Sidhu to introduce the report.

Sonika introduced the report which focused on the elements of the Spending Review which were of particular interest to the City Regions Board – UKSPF, freeports, levelling up and jobs and skills.

Members made the following comments:

- In relation to freeports, to what extent are we clear that freeports will create new jobs and not just shift jobs around?
- With regards to the levelling up fund, we need to talk about a culture that's much more collaborative and co-operative.
- The report is excellent, and the report response was very well-written.

Sonika noted the comments and concerns raised by Members and confirmed that conversations with central government continued.

Decision:

Members noted the report.

9 Equalities Advocate update

The Chairman invited Sonika Sidhu to introduce the report.

Sonika introduced the report and said that the LGA were developing its approach to equalities issues through the work of its boards. Equalities advocates were being identified for each board in order to drive the equalities work. Cllr Abi Brown was the equalities advocate for the City Regions Board.

Decision:

Members noted the report.

10 City Regions Board Update

The Chairman invited Sonika Sidhu to introduce the report.

Sonika introduced the report which provided Members with a brief update on issues and policy areas not covered by other items on the agenda.

Decision:

Members noted the report.

11 Note of the Previous Meeting

The minutes of the meeting held on 18 November 2020 were agreed as an accurate record.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Sir Richard Leese CBE	Manchester City Council
Vice-Chairman	Cllr Abi Brown	Stoke-on-Trent City Council
	Cllr Susan Hinchcliffe	Bradford Metropolitan District Council
Deputy-chairman	Cllr Anita Lower	Newcastle upon Tyne City Council
	Cllr Gillian Ford	Havering London Borough Council
Members	Cllr Donna Jones JP	Portsmouth City Council
	Cllr Joanne Laban	Enfield 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 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
	Cllr Elise Wilson	Stockport Metropolitan Borough Council
	Cllr Gareth Roberts	Richmond upon Thames London Borough Council
Apologies	None	
Substitutes	Cllr Samantha Dixon	Cheshire Council
	Cllr James Swindlehurst	Slough Borough Council
	Cllr Julia Lepoidevin	Coventry City Council
	Cllr Phelim MacCafferty	Brighton & Hove City Council
	Cllr Daniel Fitzhenry	Southampton City Council
	Cllr Barry Anderson	Leeds City Council

Education to Employment: supporting youth participation

Purpose of report

For discussion and direction.

Summary

York Consulting have been commissioned by the Board to undertake an action learning project focussed on developing a better understanding of the barriers/challenges that exist for councils in fulfilling their statutory duties for young people. Their work builds on the findings of the Education to Employment: supporting youth participation project. York Consulting will be attending the Board to provide an update on their work and to give members a chance to reflect on the findings.

The youth participation work is jointly developed by City Regions, People and Places and Children and Young People Boards to ensure read-across.

Recommendations

Members are invited to:

- i. Note the summary findings of the project (Annex A).
- ii. Comment on the findings of the project and the extent to which they reflect the challenges in members' local areas.
- iii. Provide a steer on the next steps for this project (para 11).

Action

Officers to take forward any comments and steer from members.

Contact officer:	Bushra Jamil
Position:	Adviser
Phone no:	0207 664 3357
Email:	bushra.jamil@local.gov.uk

Education to Employment: supporting youth participation

Background

1. Improving youth participation in education, employment and training (EET) as part of their statutory duties is key for councils. The Covid-19 crisis has had an adverse effect on young peoples' ability to transition into education or employment effectively.
2. Last autumn the Board approved a piece of research to advance our youth policy work and to support the sector. York Consulting have been commissioned to undertake an action learning project with eleven areas (councils/combined authorities).
3. The project aims to develop a better understanding of the barriers/challenges that exist for councils in fulfilling their statutory duties for young people, for instance, in relation to NEETs and to explore solutions. The project is due to complete at the end of March. A final report will outline what works in overcoming barriers to youth participation and showcase innovative approaches by the areas involved.
4. Following a request from Lead Members, York Consultancy have been invited to share some early insights of the project findings.

Progress to date

5. The project initially set out to support six to eight council areas through action learning. However, due to the overwhelming interest from the sector to be involved in this piece of research, the project was rapidly expanded to eleven areas.
6. The first action planning workshop in January focussed on identifying the barriers and the scale of the challenge overall. The second workshop in February provided an overview of the councils' action plans, along with profiling of some good practice. Local areas were able to share their experiences and learning with participating councils.
7. Due to the short timescales for the project and workload/capacity issues related to Covid-19 pressures has resulted in some areas taking a measured approach to implementing their action plans. Therefore, the real impact of their activities will be more evident over the next six to twelve months.
8. York Consulting are in the process of drafting the final report and the findings will be presented at the board. Annex A provides a summary note for the presentation.

Implications for Wales

9. Skills and employment are devolved matters. The LGA liaises with WLGA colleagues.

Financial Implications

10. To be covered through the existing budget.

Next steps

11. Members are invited to:
 - 11.1. Note the summary findings of the project (Annex A).
 - 11.2. Comment on the findings of the project and the extent to which they reflect the challenges in members' local areas.
 - 11.3. Work will continue to finalise the report for publication, considering members comments.
 - 11.4. The final report will be presented to the boards (CRB, P&P and CYP) for approval.



Education to Employment: Supporting Youth Participation

Summary Note
March 2021

York Consulting: Philip Wilson and Kate Crosswaite

SUMMARY

1. This project aimed to support a set of 11 local authorities (LA), and groups of LAs, through an action learning approach to: better understand the barriers and challenges for councils in fulfilling their statutory duties for young people; and, identify solutions to delivering effective support for young people at risk of becoming NEET (not in education, employment or training) or who are NEET.
2. Between December 2020 and February 2021 the LAs undertook:
 - 2.1 A review of the issues they faced.
 - 2.2 Met with York Consulting staff to develop an action plan to address the issues identified.
 - 2.3 Engaged in a series of two interactive online workshops to share experiences and ask each other questions about identifying and implementing solutions.
 - 2.4 Provided case studies of areas they had addressed.
3. The constrained timescales for the project (linked to Covid) meant that most authorities were only just starting to implement their action plans in March 2021. Therefore results of their activities will only become clear in the next six to 12 months.
4. The main areas addressed by the LAs included the following, illustrated in the report through quotes and case studies:
 - 4.1 **Tackling disengagement from education, employment and training.** Examples: effective coaching models, virtual communication to replace face-to-face contact and use of 'trauma-informed' approaches.
 - 4.2 **Availability of education and training.** Examples: improved assessment to support young peoples' personal development, lack of provision and links to Kickstart.
 - 4.3 **Access to opportunities.** Examples: Youth Hubs, use of social media, IT recycling schemes.
 - 4.4 **Impact of COVID-19.** Examples: potential for volunteering opportunities, NEET initiatives/partnerships to support young people and duty careers adviser roles.
 - 4.5 **Targeting NEET sub-groups.** Examples: focused on care leavers and those with special educational needs and disabilities (SEND), employer marketing approaches, encouraging business mentors.
 - 4.6 **Early identification/risk of NEET.** Examples: data sharing/monitoring and implementation of a Transition Support Worker role.
 - 4.7 **Strategic perspective.** Examples: being open to change in policy and delivery, developing a shared vision, effective relationships with Youth Services.
5. A set of cross-cutting issues were interwoven throughout these main areas described above: communication with young people; availability of opportunities; monitoring COVID-19 effects; impact of mental health effects; LA networking and partnerships; improved data collection; understanding specific issues and barriers affecting young people.

Conclusions

6. As a result of undertaking this work we identified a range of conclusions, including:
 - 6.1 Many authorities are facing some similar challenges particularly around high levels of disengagement, reduced funds and staff, young people who face complex barriers such as poor mental health and who rapidly become de-motivated or withdraw from education employment and training (EET). Other areas of challenge relate to the negative impacts of the COVID-19 pandemic and associated lockdowns, and the identification of 'unknown' and at-risk young people.
 - 6.2 Smaller numbers of authorities are facing challenges linked to collaborating with schools, developing a strategic approach, and a reluctance among young people to travel for EET opportunities. One authority was seriously considering the relationship between youth support services and careers support in the longer term, for those who are NEET or at risk of becoming NEET.
 - 6.3 A particular consideration in some authorities is the effectiveness of support for those in vulnerable sub-groups. In response to the mismatch between the mainstream EET offer and the specific needs of key NEET subgroups (care leavers, those with mental health problems and those with a SEND) there is a requirement for greater flexibility and a bespoke offer that will be vital in allowing these groups to progress. While it is acknowledged that this approach is more resource intensive, we contend that any investment would be worthwhile in terms of the long-term economic benefits for these groups, as a result of them accessing and taking up meaningful employment and experiencing a better quality of life.
 - 6.4 A proportion of NEET young people have been unable to or have chosen not to engage with online communication and provision of EET. This has significant implications, with the risk of a substantial 'left behind' group emerging in the near future. Furthermore, 'digital poverty' is a key concern that has been exacerbated by the pandemic. Action to address the skills and equipment gaps will be vital in successfully bringing this NEET group into positive EET opportunities.
 - 6.5 The data gap for older NEET young people has been highlighted. This is of particular relevance for the 18+ group who may have been unemployed for longer periods and for whom it is difficult to track and monitor. This then impacts on the scope for positive engagement due to a lack of connection with young people.
 - 6.6 The benefits of intervening earlier have been highlighted. Closer working with schools and colleges will be central to addressing this alongside a need for improved data capture systems for identifying young people at risk, as early as possible.
 - 6.7 There is a clear desire among authorities to learn from each other and to share experiences of supporting youth participation through increased networking opportunities. Looking forwards it will be interesting to see how LAs progress in addressing their issues and the longer-term results of implementing their action plans.

HEI Funding and ‘Levelling Up’

Purpose of report

For discussion.

Summary

Officers at the LGA have matched higher education institutions (HEI) to place and considered the economic impact on places that have received significant HEI funding in recent years compared to those that have not. The findings in this paper suggest that publicly funded HEI allocations have had a notable impact on the economic make-up of the areas that receive funding, in terms of job creation, productivity and occupational composition.

Recommendations

Members of the City Regions Board are asked to:

- i. **Note** the summary findings of the project to date.
- ii. **Consider** the issues raised within the report, reflect on the proposed policy options and provide a view on next steps regarding higher education funding.

Action

Officers to take forward work subject to the comments of members.

Contact officer:	Nathan Brewster
Position:	Adviser (NGDP)
Phone no:	0207 187 7350
Email:	Nathan.Brewster@local.gov.uk

HEI Funding and Levelling Up

Background

1. Universities spent over £150.6m on local outreach work with schools and communities in 2014-15. They are also responsible for a wide variety of direct spending through maintaining campuses, accommodation, and libraries.¹
2. More broadly, evidence suggests that universities contribute £21bn to overall economic growth and support over 1m jobs.² Universities also contribute to the local economy through providing talented graduate labour, increasing productivity and making it more attractive for businesses to set-up in the area. With the Government's aim to increase R&D spending to 2.4 per cent of GDP, the impact of universities on local economies is likely to increase.
3. Within the context of the Government's levelling-up agenda, Lead Members asked LGA officers to examine the profile of HEI funding in England, including where public funding goes and the potential implications of this funding for place.
4. This paper outlines the findings of this research: considering HEI funding flows³ down to the district level and outlining some of the characteristics of areas that receive funding, and those that do not.

Findings

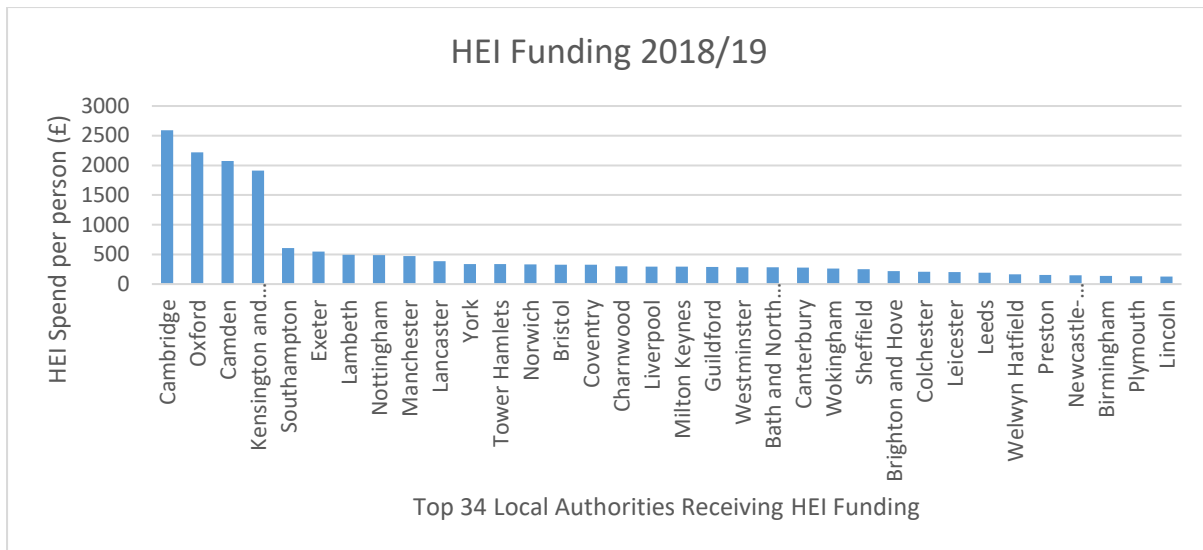
HEI Funding to Place

5. High levels of public funding have consistently reached the 'golden triangle' universities in Oxford, Cambridge and London. When matching these universities to place, Cambridge, Oxford, Camden and Kensington & Chelsea received £8,798 per head of the population between them, almost as much as the next 30 local authorities combined in 2018/19.

¹ <https://www.universitiesuk.ac.uk/facts-and-stats/Documents/university-spending-explained-summary.pdf>

² <https://www.universitiesuk.ac.uk/policyand-analysis/reports/Pages/economic-impact-universities-2014-15.aspx>

³ The funding discussed throughout the paper refers to funding from UK Research & Innovation (UKRI) and the Office for Students (OfS) from 2018. Beforehand funding was allocated through the Higher Education Funding Council for England. These agencies are or have been funded by the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Education (DfE).



6. Beyond the 'golden triangle', there remains significant disparities in HEI funding for place. For example, Manchester received £470 HEI funding per head of the population, while Bolton received less than £15. Similarly, Exeter received £548 HEI funding per head of the population, while Cornwall received just over £8 in 2018/19.

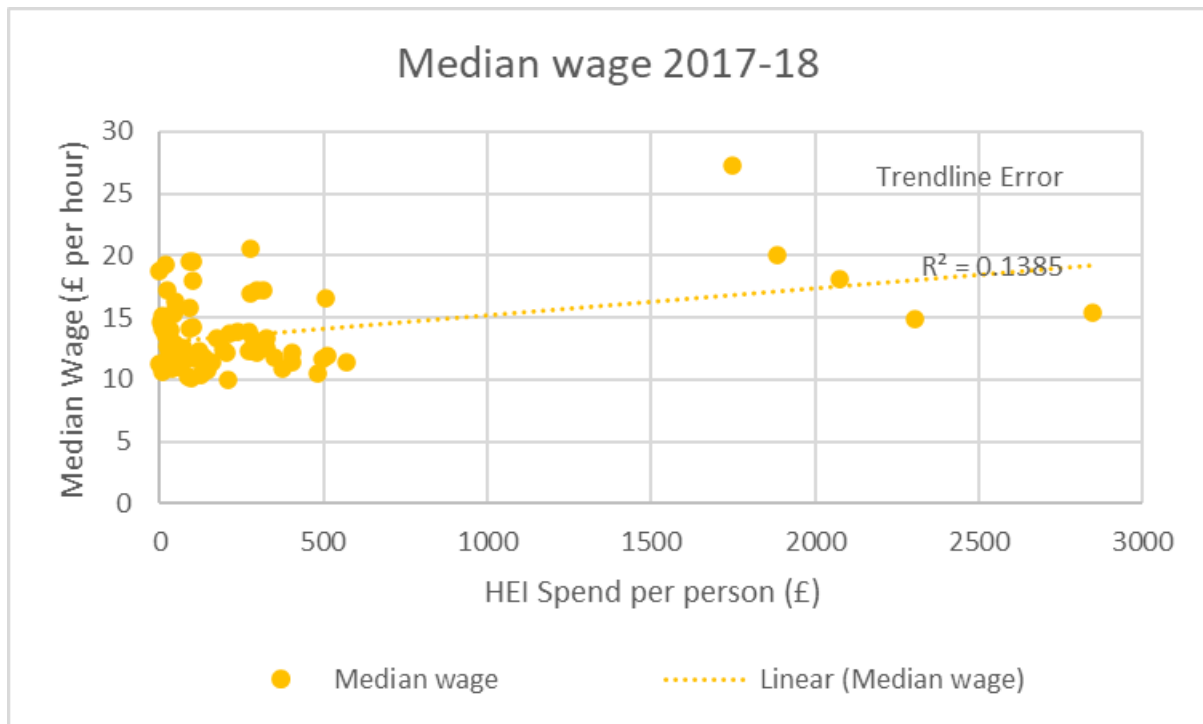
Potential Implications for Place

7. Job-related statistics:

7.1 Somewhat surprisingly, there appears to be little correlation between HEI investment per head into place and unemployment figures, claimant count or the Index of Multiple Deprivation (IMD) since 2015/16.

7.2 However, there appears to be a discernible and consistent link between HEI funding and jobs per head in the area, suggesting that jobs in the locality are filled by people outside of the local authority, rather than local residents.

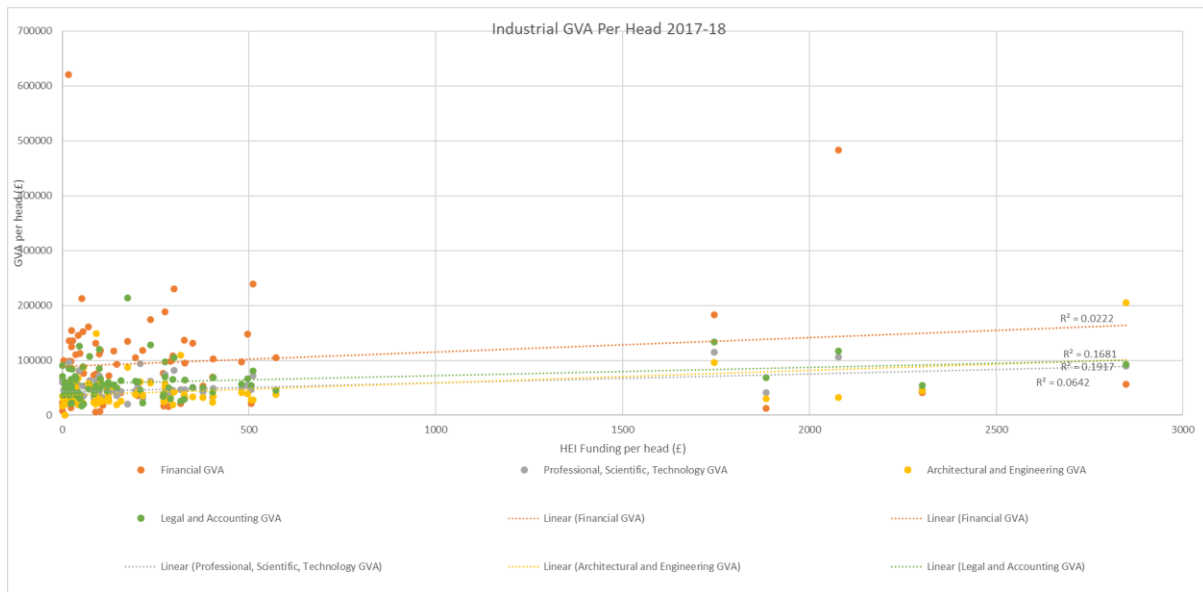
7.3 There is also a consistent link between HEI funding and the median wage in the locality.



8. Gross Value Added (GVA) and productivity:

8.1 The most striking links appear in the Gross Value Added (GVA) per head of certain industries that are heavily linked to Science, Technology, Engineering & Mathematics (STEM) subjects. For example, the Professional, Scientific & Technology industry alongside the Architectural & Engineering industry show a consistent correlation between HEI funding per head and the GVA per head of those industries.

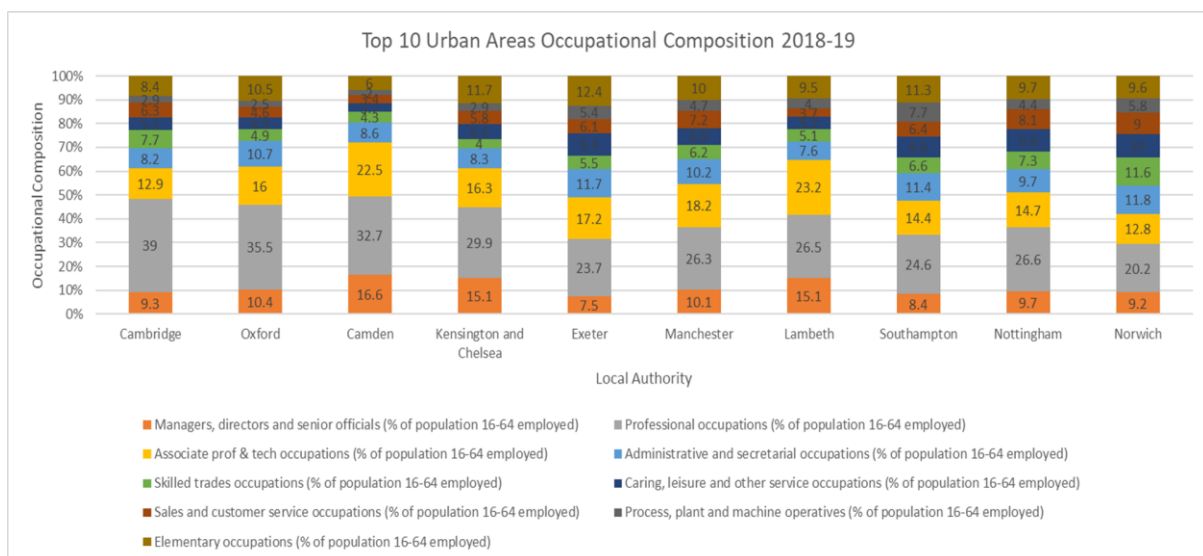
8.2 Other industries, like Legal and Accounting alongside Financial and Insurance, also show a slight correlation between GVA per head and HEI funding per head.



9. Occupational Composition:

9.1 There is a striking link between the occupational composition of areas that receive high levels of HEI funding per head and the composition of areas that receive lower levels.

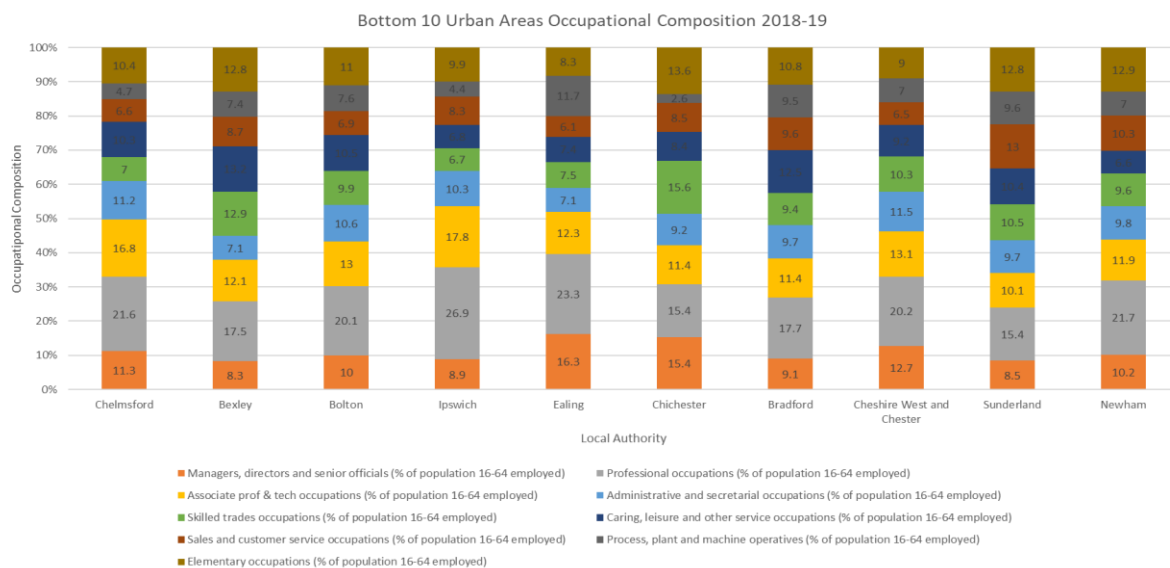
9.2 The top ten urban areas with the highest levels of HEI funding have relatively high levels of workers in occupations relating to the STEM subjects. For example, out of the nine major occupational groups, over 45 per cent are covered by Professional as well as Associate Professional & Technical occupations on average.



9.3 Conversely, less than 33 per cent in the ten urban areas with the lowest HEI funding are part of those occupational groups.

9.4 On average, almost 40 per cent of the occupational composition of the places with the lowest funding are made up by: Elementary; Process, Plant & Machine operatives; Sales & Customer Service; and Caring, Leisure and Other Services occupations.

9.5 Conversely, just over 30 per cent of the places with the highest levels of funding are made up of those occupations.



Initial Conclusions

10. The data suggests that there may be two key findings relating to HEI funding and levelling up. First, that universities have a positive impact on the productivity of an area as well as its occupational composition – particularly in the STEM industries. Second, university funding would appear not to have addressed local unemployment and deprivation.

11. If these suggestions are indeed correct, HEI funding allocations must be cognisant of place and further aimed at 'left behind' areas to increase their GVA and skills mix. In short, there is a risk that simply shifting investment patterns will not impact on local inequalities.

Policy Options

12. In reviewing this work, Members are asked to provide a steer on possible LGA lines regarding HEI funding and how the LGA should take this work forward. Set out below are a number of policy options for further consideration.

13. The Strength in Places Fund (SIPF) is provided by UKRI and aims to drive economic growth in specific areas of the UK, building on existing research excellence. It has invested £186m thus far in the first wave and is expected to bring significant benefits to localities.⁴
14. For example, 'Growing Kent and Medway' was awarded to south-east England which will build on the region's climate-smart food production and processing by supporting local growers and investing in AI and automation. This is expected to create 1,700 jobs and add £39m annually to the local economy.⁵
15. Therefore, SIPF is welcome but could be expanded and focused on areas with lower levels of GVA and a worse skills mix. Moreover, local authorities could be required as partners in the consortia bidding for SIPF funding – even if this is in an advisory capacity - in order to ensure the project is addressing local needs such as jobs and deprivation.
16. The Research Excellence Framework (REF) has been used to decide which universities receive the bulk of funding and has remained unchanged since 2014. The allocation criteria are set to be updated in 2021 and could include place-based needs as one of its key criteria.
17. Last month, the Government announced that the Advanced Research & Invention Agency (ARIA) was due to be fully operational by 2022, with an £800m fund per annum. ARIA is purported to back 'cutting-edge', 'high-risk, high reward' research and technology to create highly skilled jobs across the country.⁶ In a similar manner to the SIPF, this could allocate funding to drive economic growth in 'left behind' areas, and build on the economic strengths of those areas.
18. An independent body could be created with a dual-function to a) hold the UKRI and the Office for Students to account for progress in productivity and reducing economic disparities, equipped with statutory powers⁷ and b) support universities as they progress into a more civically-minded institution, specifically focusing on job-creation for locals and addressing pockets of deprivation in the locality.
19. Universities and local authorities could be able to bid in partnership for grants administered from UKRI, to ensure place-based socio-economic benefits are considered. Alternatively, the Government should allocate a new £1 bn 'Civic University Fund', as proposed by the UPP Foundation. This could be aimed at areas that are socially and

⁴ <https://www.ukri.org/our-work/our-main-funds/strength-in-places-fund/>

⁵ <https://www.growingkentandmedway.com/>

⁶ <https://www.gov.uk/government/news/uk-to-launch-new-research-agency-to-support-high-risk-high-reward-science>

⁷ Richard A.L. Jones, *A Resurgence of the Regions: rebuilding innovation capacity across the whole UK*, 2019. http://www.softmachines.org/wordpress/wp-content/uploads/2019/05/ResurgenceRegionsRALJv22_5_19.pdf originally proposed giving similar statutory powers to the Industrial Strategy Council for similar reasons.

economically vulnerable and should include the local authority as a partner with the university.⁸

Next steps

20. Members of the City Regions Board are asked to:

20.1 **Note** the summary findings of the project to date.

20.2 **Consider** the issues raised within the report, reflect on the proposed policy options and provide a view on next steps regarding higher education funding.

⁸ <https://upp-foundation.org/wp-content/uploads/2020/10/2457-UPP-Foundation-Towns-Report-Part-II-V8-2.pdf>

Budget Update

Purpose of report

For direction.

Summary

The Budget contained a suite of announcements pertinent to the government's levelling up agenda. Four areas believed to be of particular interest to members of the City Regions Board are set out below: funding for growth; local enterprise partnerships; the government's plan for growth; and, jobs and skills. Members are asked to consider each of these issues in turn and help steer the LGA's future work.

Recommendations

Members of the City Regions Board are asked to:

- i. **Note** the announcements relating to three new investment programmes and **consider** how best to approach the issues raised by councils, particularly those relating to the levelling up fund.
- ii. **Note** the launch of a fresh review of local enterprise partnerships and **agree to** further engagement on this issue
- iii. **Note** that the Industrial Strategy has been superseded by the Plan for Growth.
- iv. **Note** the announcements related to skills and employment and **agree to** write to the Employment Minister to discuss Kickstart and seek an introductory meeting on skills with Gillian Keegan MP, the relevant Minister

Action

Officers to take forward work subject to the comments of members.

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Budget Update

Background

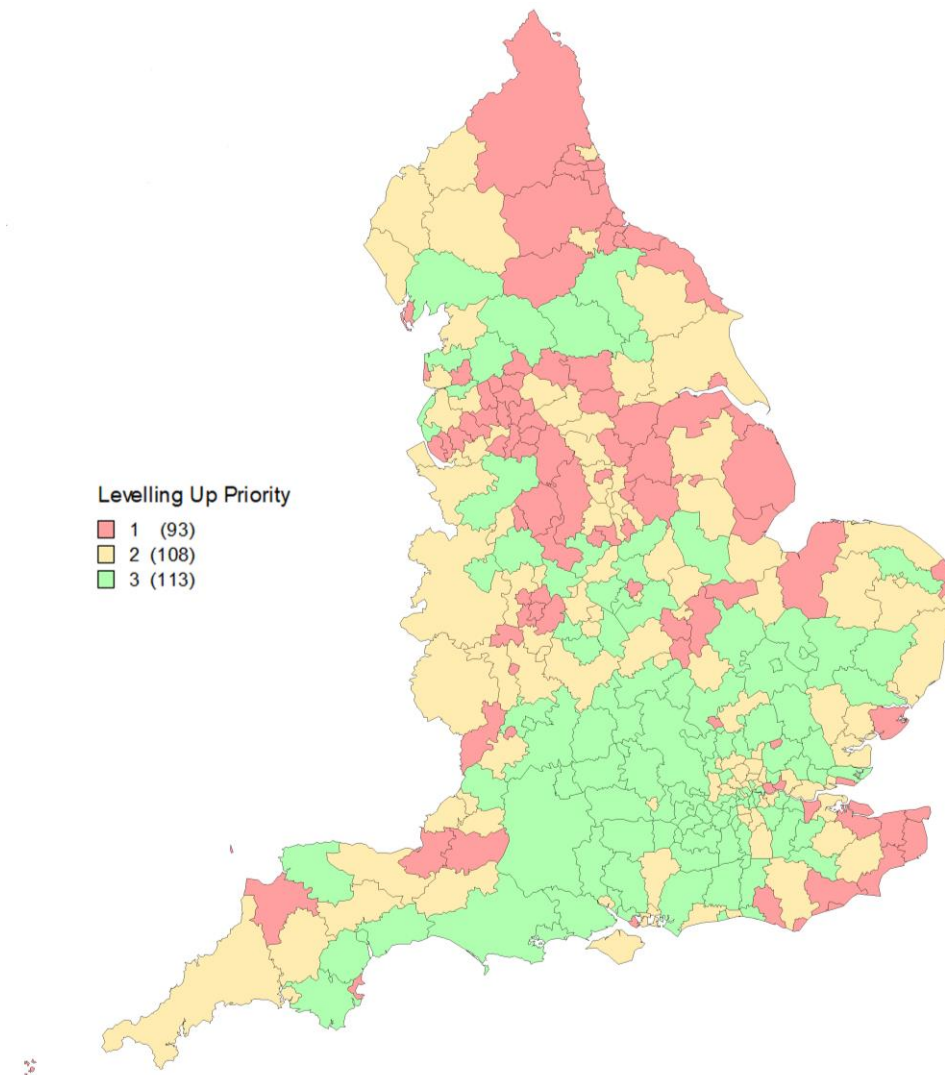
1. The Budget contained a suite of announcements pertinent to the government's levelling up agenda. Four areas believed to be of particular interest to members of the City Regions Board are set out below: funding for growth; local enterprise partnerships; the plan for growth; and, jobs and skills.

Issues

Funding for Growth

2. The budget saw the launch of three new investment programmes:
 - 2.1 The UK Community Renewal Fund - £220m to pilot new approaches to skills, business support and employment ahead of the launch of the UK Shared Prosperity Fund in 2022. The design, allocation and length of the UKCRF will be different to the UKSPF. Funding will be allocated competitively. The government has identified 100 priority places based on an index of economic resilience to receive capacity funding to help them co-ordinate their applications.
 - 2.2 The Levelling Up Fund - £4.8 billion which will seek to invest in infrastructure that 'improves everyday life across the UK', including town centre and high street regeneration, local transport projects, and cultural and heritage assets. The fund's announcement included a list of local authorities categorised into three priorities. Preference will be given to bids from higher priority areas and capacity funding of £125,000 will be available to local authorities 'most in need of levelling up'.
 - 2.3 The Community Ownership Fund - £150m to help ensure that communities across the UK can continue to benefit from the local facilities and amenities that are most important to them. From the summer, community groups will be able to bid for up to £250,000 matched funding to help them to buy local assets to run as community-owned businesses. The first bidding round for the Community Ownership Fund will open by June 2021. A full bidding prospectus will be published alongside this.
3. While the LGA welcomes the leading role for councils in these funds [our on-the-day briefing highlighted a number of initial concerns](#): the prospect of competitive bidding at a time when councils are stretched by the need to protect communities and businesses from the pandemic; the scale of these funds when set against the challenge of recovery; and the potentially fragmented and complex bidding process, particularly for the levelling up fund, that sees different tiers of local government able to submit bids for different purposes and an important, but uncertain role for MPs in the bid selection process.

4. Since the budget councils have called for further clarity around the funds. Much of this has centred on the methodology underpinning the prioritisation of areas able to bid for the levelling up fund, which has implications both for the likely success of any bids and the allocation of capacity funding to support the bidding process.
5. The prospectus attached to the fund indicated that an area's priority has been determined by an index considering the following characteristics: need for economic recovery and growth; need for improved transport connectivity; and need for regeneration.
6. For reference a map providing an overview of the three priority areas is set out below:



7. The requirement for competitive bids places additional emphasis on the allocation of capacity funding.

8. [Independent research by Localis for the LGA](#) has identified a range of issues associated with frameworks for growth-related funding reliant on competitive bidding. The research looked at four funds and identified the following costs:

Fund	Total bidding cost (average)	Largest recorded cost
Regional Growth Fund	£17,500	£50,000
Local Sustainable Transport Fund	£32,500	£50,000
Local Pinch Point Fund	£34,000	£68,000
European Regional Development and Social Fund	£20,000	£30,000

9. Officials have been keen to stress that the £125,000 capacity funding available for future years of the programme will help mitigate these concerns. However, given the methodological questions highlighted above there is a risk that those areas most in need of 'levelling up' are least likely to be able to effectively engage in a bidding process and therefore all the more reliant on an alignment between the prioritisation index and the availability of local capacity.
10. More widely, concern has been raised that the funds go against the grain of devolution and risk being driven by Ministerial rather than local priorities. There has also been a significant degree of discussion regarding the metrics used to measure progress towards 'levelling-up' and a concern that by launching multiple programmes with similar timescales the Government risks many of issues highlighted [by LGA published research into fragmented funding](#).
11. Finally, questions have been raised regarding the role of local MPs' ability to back a single bid within their constituency boundary. While the prospectus makes clear that MPs do not have a veto there are clearly concerns about how these discussion will play out in practice particularly in areas where an MP's constituency crosses into multiple council areas or where local politics means consensus is more difficult to broker.
12. The LGA, working with and alongside councils, has placed these concerns on the record with government. [The Government has now published a Levelling Up Fund: Prioritisation of places methodology note](#). This provides more detail on the index used to prioritise places for investment and future capacity support. In summary, it identifies three composite measurements: need for economic recovery and growth, which incorporates productivity, unemployment and skills data; need for improved transport connectivity, which uses average journey time to an employment centre by car, public transport and bike; and, need for regeneration, which uses commercial and dwelling vacancy rates.
13. [In addition to this, the methodology](#) for the [UK Community Renewal Fund](#) (UKCRF) has also been published. The UKCRF will be piloting schemes in advance of the launch of

the UKSPF in 2022, but the design, eligibility and duration of the fund will be different to the UKSPF. Funding will be allocated competitively with lead authorities receiving capacity funding to help them co-ordinate their applications. The government has identified [100 priority places](#) using a methodology based on economic performance and ability to resist and recover from shocks. They have developed metrics using a criteria based on: productivity; skills; unemployment rate; population density; and household income. [The full details of the metrics and weighting used can be found online](#). We understand that the guidance for lead authorities will be published very soon. week.

14. Throughout these discussions Government officials have been keen to stress the distinct priorities attached to each of these funds and site them within the overall package of support for the economy set out in the budget and elsewhere e.g. the national infrastructure strategy.
15. It is therefore important not to lose sight of the intended purpose, context and scale of these funds. The role for councils is to be welcomed and the Community Renewal Fund provides an opportunity to influence the more significant UK Shared Prosperity Fund. It is also important to be clear that the priority of the LGA is, above all, to make the national case for increased local investment rather than seek to influence the distribution of any such funding.
16. However, given the concerns expressed by many councils across the country and the questions of methodological transparency, the City Regions Board are asked to offer their thoughts on how best to take forward these issues with Government, particularly in the context of the Board's wider work to strengthen the resilience of rural and coastal areas.

Local Enterprise Partnerships

17. Alongside the budget [MHCLG announced that they will be working with local businesses over the coming months on the future role of Local Enterprise Partnerships](#) with a view to announcing more detailed plans ahead of the summer recess. This will also include consideration of Local Enterprise Partnership geographies.
18. In 2017 the LGA submitted evidence to the LEP Review and supported a vice-chair of the People and Places Board as a member of the Review Panel. This contained several recommendations and led to a significant role for LEPs in the development of Local Industrial Strategies.
19. LGA members have previously made the case that democratic accountability is crucial in the allocation of public funds. The key leadership role for councils in the growth funds identified above speaks directly to this concern and will no doubt be welcomed. However, LEPs provide an important role in bringing councils and local businesses together and within the context of a national economic recovery it would seem prudent to ensure that no capacity or expertise or expertise is lost through the process of review.

20. It is therefore proposed that the LGA seeks to work with the LEP Network and Government to ensure that those aspects of partnership which work well are preserved.

'Build Back Better' The Government's Plan for Growth

21. A publication – [Build Back Better: Our Plan for Growth](#) – was also launched alongside the budget. This sets out the government's plans to support economic growth through investment in infrastructure, skills and innovation. It identifies three key priorities: level up the whole of the UK; support the transition to Net Zero; and, support the Government's vision for Global Britain. It also identifies a wide range of long-term strategies, including: an export strategy; the devolution and local recovery white paper; the transport decarbonisation plan; the net zero strategy; the national bus strategy; and, the full conclusion of the post-18 review of education and funding.
22. [In a subsequent Parliamentary exchange](#) the Secretary of State of Business, Energy and Industrial Strategy announced that the Industrial Strategy [was] '*morphing and changing into the plan for growth*'. It has since been reported that the Industrial Strategy Council is being disbanded. Given the long absence of any Ministerial mention of local industrial strategies, it might also be reasonably assumed that these are no longer a national priority, but this has yet to be confirmed.
23. The LGA will of course continue to work with councils and government on future strategies and proposals relating to place-based growth. It is hoped that the significant investment by councils and LEPs in the development of local industrial strategies will provide a robust evidence base for future economic interventions. As part of the Board's ongoing responsibility to represent urban areas in England we will also continue to make the case for a coherent and place-based national strategy for recovery and growth.

Jobs and skills

24. The Chancellor used the Spring Budget to announce an extension to furlough, further measures to encourage employers to take on more apprentices, funding to increase the number of traineeships, and measures to move towards a net zero economy.
25. It was widely anticipated that there would be an extension to the Kickstart scheme, and we had hoped that National Skills Fund monies would be released to help upskill more adults to Level 2. Both of these are vital but neither materialised.

Kickstart for young people

26. Local government has got right behind Kickstart as a means of creating much-needed local opportunities for young people hard hit by the pandemic, both within their council / combined authority and working with local employers to create opportunities in the local economy. The sector has been the 'go-to' local organisation operating as a Gateway or purely helping to signpost and coordinate local activity. As the economy begins to open up, the programme will become even more vital.

27. The Scheme should be extended beyond December 2021, and the scope should also be extended to young people not on Universal Credit including 16-17-year olds and older young people, including care leavers.

Adult skills

28. It is vital that adults access training to help them change job or sector. We previously welcomed the National Skills Fund support for adults to achieve their first full advanced (level 3) qualification in certain sectors with high demand. This could be extended for those already qualified to Level 3 but who need to retrain or are out of work.
29. More funding is needed to support adults to achieve a Level 2 as we know that the least qualified someone is, the more likely they are to job loss, and the harder they will find it to secure work. [Local adult community settings](#) are well placed to support this. We have called for the Adult Education Budget to be as a minimum restored to its 2010 levels and fully devolved to the whole of local government.
30. In light of these announcements, it is proposed that board members write to Mims Davies MP, the Employment Minister to discuss Kickstart and as a follow up to the December roundtable, and seek an introductory meeting on skills with Gillian Keegan MP, the relevant Minister. Both meetings are an opportunity to focus on local government's role in the Government's recovery plans. Officers will also circulate an updated LGA jobs and skills recovery position for clearance.

Next steps

31. Members of the City Regions Board are asked to:
- i. **Note** the announcements relating to three new investment programmes and **consider** how best to approach the issues raised by councils, particularly those relating to the levelling up fund.
 - ii. **Note** the launch of a fresh review of local enterprise partnerships and **agree to** further engagement on this issue
 - iii. **Note** that the Industrial Strategy has been superseded by the Plan for Growth.
 - iv. **Note** the announcements related to skills and employment and **agree** to write to the Employment Minister to discuss Kickstart and seek an introductory meeting on skills with Gillian Keegan MP, the relevant Minister

Implications for Wales

32. 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

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

Equalities Update

Purpose of report

For direction.

Summary

This report outlines how the Board will be addressing equalities issues in its policy work. It also provides members with potential future policy areas within which officers see potential to broaden the focus on equalities. Members are asked to provide a steer on the areas outlined in the report.

Recommendations

Members are asked to agree the policy areas outlined in section 8 of the report which will provide further potential for addressing the equalities brief.

Actions

- i. Officers will continue to review the impact on equalities across their policy briefs, providing particular focus to the work areas in section 8 of the report.
- ii. Officers will update the Board on any new policy areas which will address equalities issues.

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Equalities Update

Background

1. The Executive Advisory Board have asked each Board to identify a member to be an Equalities Advocate. The aim of this is to raise the profile of any equalities issues within the Board's workstream, to contribute to the cross-cutting work around equalities, and to report into the Executive Advisory Board on equality issues relating to their Board. Cllr Abi Brown is the City Regions Board Equalities Advocate.
2. Members of the Board have encouraged officers to provide further focus on equalities issues which meet with the Boards remit. This report outlines the equalities issues the Board is currently looking at through its work and potential future work areas which may provide additional opportunities for consideration.

Context

3. 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
4. The Board deals with a range of cross cutting issues which do not necessarily have a direct read across to the protected characteristics as outlined in the Equality Act 2010 in particular, the Board does not deal with the delivery of any particular service or the discharge of any specific local authority duty. However, the work of the Board addresses policy areas which have a direct impact on equality of opportunity and the life chances of individuals i.e. job opportunities and regional growth. It also plays a key role in shaping and advancing the LGA's policy on devolution which seeks to better connect decision making with local priorities and give local communities a stronger voice on the national stage.
5. In light of the Covid pandemic one of the major strategic focuses of the Board will be the economic recovery of city regions. The way recovery is delivered will have direct impact on issues of equalities, which the Board will need to consider. These issues will vary across different regions.
6. Members of the Board represent councils which are generally familiar with the equalities agenda and have already developed their own action plans.

City Regions Board activity

7. Officers are currently working on the following projects, with implications for EDI:

7.1. A Vision for Urban Growth and Recovery

7.1.1 Externally commissioned project which considers the impact of the COVID-19 pandemic on urban areas and develops a vision for urban growth and recovery.

7.1.2 The report will include sections on:

- (i) the economic impact of Covid-19,
- (ii) the ways in which inequalities have increased during the Covid-19 crisis,
- (iii) the current and future challenges and opportunities for urban areas,
- (iv) what the objectives should be for an urban vision for recovery,
- (v) how to bring these objectives together into asks to central government.

7.1.3 Board members have made a number of suggestions about this work, such as the exacerbation of the digital divide as a result of Covid-19, the impact of homeworking both as an equalities issue and as policy issue affecting home design, transport and business decisions in future, the impact of Covid-19 on those with different protected characteristics, and what the best way will be to determine a successful recovery for urban areas.

7.2. Councils' Guide to Supporting Exports

7.2.1 Trade in UK goods and services will continue to play an important part in the Government's ambitions to increase national growth and prosperity as part of its 'levelling up' agenda. Building on previously published guides for councils looking to attract foreign capital investment and drawing on lessons learned from established and emerging sub-national bodies, we have commissioned Value Adage to produce a guide to outline best practice, advice and assistance to councils looking to support local businesses to increase their exports.

7.2.2 Recognising both the gaps in national service provision and the role councils have played in leveraging the knowledge and relationships held by their diverse communities this work will include a focus on diaspora communities and the potential trading they can providing in connecting domestic links and global markets.

7.3. EU and associated match funding

7.3.1 To support our UKSPF and wider growth policy work, we have commissioned work to explore the extent of match funding of the current European Structural

and Investment Funds (ESIF) programme, that will soon be replaced with UKSPF. The intention of the project is to help understand funding sources that have supported ESIF programmes. This will in turn enable local areas to strategically plan how UKSPF and wider growth funding can help create inclusive growth and tackle inequalities, as well as meet the Government's levelling up agenda.

7.4. Employment and Skills projects

7.4.1 *Jobs and skills recovery:* To help facilitate knowledge transfer across the sector, we will deliver two online resources by the end of March. The first is a 'top tips' resource focused on five themes critical to jobs and skills recovery, and the second a case study resource capturing the sector's role to support jobs and skills during the Covid-19 crisis and as they plan for recovery. As the economy begins to open up, those already at a disadvantage will likely find it harder to enter, sustain and progress in work. We envisage some of the project outputs will have read across to what local government can do to help people access the labour market.

7.4.2 *Education to Employment – Supporting Youth Participation:* York Consulting have been commissioned to deliver an action learning project with eleven areas (councils/combined authorities). The project aims to develop a better understanding of the barriers/challenges councils face in fulfilling their statutory duties for young people, for instance, in relation to those not in education, employment or training (NEET) and to explore potential solutions. The final report will include:

- (i) the barriers faced by young people and specific groups, for instance, those with special educational needs and disabilities (SEND)
- (ii) evidence and insights from local authorities, including barriers faced in providing support to diverse cohorts
- (iii) Innovative solutions to delivering effective support to different groups
- (iv) a selection of case studies showcasing a range of diverse innovative approaches planned/undertaken by authorities

7.4.3 The current COVID-19 crisis has exacerbated existing challenges for many disadvantaged groups and the report will examine how these could be addressed.

Potential work areas for future consideration

8. The following policy issues may provide further opportunity to develop our work on this agenda:

- 8.1. The Devolution and Recovery White Paper due for publication within the next 12 months.
- 8.2. Exploring how the Skills for Jobs Further Education White Paper will support a more placed based approach to jobs and skills, including more targeted support to people and places.
- 8.3. The Government's broader 'Levelling Up' agenda and its interaction with tackling persistent inequalities in urban areas.

Implications for Wales

9. Officers are regularly working with the Welsh LGA to share best practise across equalities issues.

Financial Implications

10. There are no additional financial implications of any of the work outlined above.

Next steps

11. Members to provide feedback about equalities issues which they think need further focus through the Boards policy work.

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 Paper

Project Updates

1. In anticipation of the Local Economic Recovery and Devolution White Paper, and to ensure members are well positioned to represent the interests of metropolitan councils in the coming months, the Board is overseeing a range of projects related to growth, devolution and recovery. Below are the projects which haven't been covered by other reports on the agenda

From Devolution Deal to Delivery

2. Shared Intelligence have been commissioned to deliver a piece of work looking at the lessons that can be learnt from areas that have successfully negotiated devolution deals, and in some cases established new combined authorities. The project will develop a toolkit, with a suite of learning tools, top tips, and short case studies to help those considering or going through the process of negotiating a devolution deal. The toolkit will also cover the process following a successful negotiation of a devolution deal, looking at the operation of a new combined authority and the relationships between the combined authority and its constituent councils.
3. Shared Intelligence have carried out around 30 interviews, and are now moving into the next stage of their work, where they will be carrying out 'deep dives' into the experiences of specific Combined Authorities, and establishing a sounding board to ensure that their recommendations resonate with key stakeholders. This work is due to be completed at the end of March.

Supporting the advanced digital skills pipeline

4. We have commissioned research to outline the interventions councils might take to support the future success of the tech sector, supported by a quantification of the opportunities for growth in this area and with a particular emphasis on addressing the perceived shortage in advanced digital skills.
5. The project will forecast the type of tech jobs, and skills need that will be emerging in the coming decade and how these might disperse across the country by local authority. The project will also provide a series of detailed local case studies which evidence the role councils have played to attract and retain tech firms with examples of how they have worked to understand and meet specialised digital skills demand in tandem with local partners.

Councils' guide to supporting exports

6. Trade in UK goods and services will continue to play an important part in the Government's ambitions to increase national growth and prosperity as part of its 'levelling up' agenda. Building on previously published guides for councils looking to attract foreign capital investment and drawing on lessons learned from established and emerging sub-national bodies, we have commissioned Value Adage to produce a guide to outline best practice, advice and assistance to councils looking to support local businesses to increase their exports.
7. The guide will include:
 - (i) An overview of the strategic and economic case for increasing levels of exports, particularly amongst small and medium sized enterprises
 - (ii) A high-level summary of the support available from national government, business representatives and other key stakeholders
 - (iii) Insight and guidance from businesses and business representatives as to the type of support they require from councils
 - (iv) A selection of case studies drawing on best practice from across the UK and, where appropriate, international examples.

Analysis of Match Funding Sources for the European Structural and Investment Fund

8. To support our policy work relating to the UKSPF and wider growth funding streams, we have commissioned work to explore private and public funding which have matched EU funding from the ESIF programme. This will provide us with a great understand how much additional funding the ESIF programme has brought to local areas. This will help us understand the total quantum of the ESIF programme, as well as provide us with commentary on the outcomes, commissioning and decision-making process which will further support our policy development.

Employment and skills activity

9. *Local government's role in jobs and skills recovery:* The sector has, and continues to do, an incredible amount of work to lead or contribute to local jobs and skills recovery efforts, but capacity and resource constraints offer little opportunity for the sector to share learning and ideas with each other.
10. To save the sector time and resource and facilitate knowledge transfer, we initiated two projects to be delivered by the end of March:

- (i) An online 'how to / top tips' resource. This will focus on five themes critical to jobs and skills recovery, drawing on the knowledge and expertise of a representative group of twelve member authorities. The Learning and Work Institute (L&W) has been commissioned to deliver this for us. We worked with a group of local authorities to test which themes to focus on and the agreed themes are: dealing with economic shocks and opportunities, improving basic skills and capabilities, retraining the local population, addressing long-term unemployment and youth unemployment.
 - (ii) Enhancing our existing online case study resource with new material for fifteen local authorities that demonstrates local government's role to support jobs and skills within their local area during the Covid-19 crisis and as they plan for recovery. Rocket Science will deliver this project by the end of March.
11. *Long term unemployment:* We have part funded the Learning and Work Institute to carry out analysis on projections for long term unemployment (LTU) in local areas. We intend to use the report to highlight how different local areas will be impacted by unemployment, the need for a tailored response and a renewed push for a co-design approach for recovery. The report will be launched before the Spring Budget.
12. *Mapping national employment and skills provision:* Most employment and skills provision is commissioned and procured nationally by Government departments or their agencies on different geographic boundaries. This can make it challenging for local government employment and skills teams (or similar) to know across their local authority area, what support is available and when. We would like to address that by mapping out national government procurement for existing provision to help improve conversations between local and national government on how to collaborate on existing provision by geography and any future opportunity, thereby making the best use of public funding. Research Matters will produce the data by the end of March.

Update on the UN Sustainable Development Goals

13. Following the release of our UN Sustainable Development Goals: A Guide for Councils last July, we have continued to engage with councils, Government and other stakeholders to share good practice, influence the SDG agenda and anticipate the appetite for engaging with the SDGs across local government. As part of this, we hosted a webinar on 12 February targeted at aiding council's pandemic recovery through engagement with the SDGs.
14. From our discussions and the feedback from the webinar, councils appear keen to further engage with the SDGs as a means for a green and inclusive recovery but are often reluctant due to issues of capacity and resources, as well as practical tools like access to local authority level data to monitor their work towards the SDGs.

15. Our next steps include working towards providing relevant disaggregated data on the SDGs through collaboration with the Office for National Statistics and the LGA's LG Inform team. This will provide councils with relevant data and metrics to monitor their progress against SDG targets, which will provide a boost for SDG engagement across the sector.

Devolution APPG

16. On 9 March the LGA supported the launch of the Devolution APPG's [inquiry into the role of national government in making a success of devolution in England](#). This inquiry drew on five oral evidence sessions with academics, politicians and experts and written submissions from 24 organisations. It was chaired by Andrew Lewer MP and steered by a panel including Cllr Susan Hinchcliffe, Vice Chair of the City Regions Board.
17. The report makes several recommendations in the following areas:
- (i) **Covid-19:** The strength and importance of local government has been amply demonstrated in the response to COVID-19. It will not be possible to deliver economic recovery, levelling-up, improved health outcomes and increased resilience without much greater devolution of powers and funding.
 - (ii) **The White Paper:** The government's deal-based approach linked to the creation of metro mayors played a clear role in kick-starting the process of English devolution, but it has now run its useful course. Given the scale of the economic and social challenges ahead, the need to make swift progress and to recognise that metro mayors are unlikely to be appropriate for every community, the Government needs to widen its approach and consider new models. The forthcoming White Paper should bring forward a new approach.
 - (iii) **Barriers in Central Government:** There are cultural barriers towards further devolution in Whitehall that must be addressed. Local Government needs to be given the parity of esteem that its huge achievements in responding to COVID-19 deserve.
18. At the time of writing this report the publication has received good media coverage and has been well received by senior figures in national and local government. In the coming weeks the Devolution APPG will meet to discuss how best to take forward the proposals contained in this report, Board members are welcome to attend and share their priorities.

Secretary of State's Annual Report on Devolution 2019-20

19. The [Annual Report on Devolution](#) has now been published and presented to both Houses of Parliament. This report reiterated the commitment of the Government to giving communities more control over how investment is spent, recognising that local areas are best placed to make decisions that affect them. The Government further committed to bringing forward the Devolution and Local Recovery White Paper, although no details on when this could be expected were provided.
20. The report stated that only one area submitted a formal proposal for a devolution deal between 1 April 2019 and 31 March 2020. This area was West Yorkshire, which agreed a devolution deal on 11 March 2020. This deal included investment funding of £8million per year for 30 years, close to £3billion of public and private sector investment and is expected to create 20,600 jobs and add £2.1 billion a year to the economy of the area by 2031.
21. Although West Yorkshire was the only area to formally submit a devolution deal proposal during the period covered by the report, the Sheffield City Region Combined Authority took the decision to progress their stalled devolution deal. This consultation process concluded in March 2020. The Government are committed to engaging with local areas looking to agree new devolution deals going forward.
22. The report also set out the three statutory instruments (SIs) made to implement devolution agreements between April 2019 and March 2020. These SIs allowed for new functions and changes to governance arrangements in Greater Manchester Combined Authority, the establishment of a Mayoral Development Corporation in Stockport, and the devolution of adult education functions in North of Tyne Combined Authority.



New UK subsidy control regime

Purpose

For discussion and direction.

Summary

The Government has launched a consultation on a new subsidy control regime for the UK, ahead of issuing primary legislation.

No longer being subject to EU law, the UK can decide which subsidies are allowable, where, and for what purposes. The new regime will impact on a wide range of issues of concern to local government and will also govern the award of grants that councils themselves issue to businesses and organisations.

LGA Officers have been engaging with Whitehall at an early stage to ensure local government concerns are reflected in the new regime. LGA now wishes to respond formally to the consultation and seeks members' views.

Recommendations

Board members are asked to consider the issues raised within the report and provide a view on the suggested focus of an LGA response.

Action

Officers to feed members' views back in the consultation response.

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New UK subsidy control regime

Overview

1. On 3 February 2021, the Government (BEIS) published its [consultation](#) 'Subsidy Control: designing a new approach for the UK'. The document provides detail on the proposed new regime and seeks responses to a range of questions. The consultation closes 31 March 2021, after which the Government will issue primary legislation governing the whole of the UK.
2. In line with the UK's international commitments, the government has indicated that public support will only be allowed to step in where there are clear social, economic or environmental advantages and a value-for-money case can be made.
3. Most new grant programmes or one-off grants, whether national, regional, or local will have to comply with a range of principles to ensure the grants minimise the distortive effects on competition. The system will be governed by an independent body, possibly the Competition and Markets Authority.

Impact on councils

4. The regime will set the legal framework for subsidies/grants of all types in the UK. This will include areas where local government has a direct role:
 - 4.1 payments issued in relation to tackling COVID. Councils issue several business support grants and the adult social care infection control fund for example
 - 4.2 local growth or enterprise funds such as the proposed UK Shared Prosperity Fund, the Communities Recovery Fund, Levelling Up Fund and the Towns Fund, or any loans given by councils
 - 4.3 one-off grants from councils to small-scale initiatives which benefit local communities, such as arts, culture, heritage, museums, sports events, social enterprises, volunteer and community groups.
5. The regime will also impact areas where local government typically has a less direct role but nevertheless remain fundamentally important:
 - 5.1 support for environmental measures, including energy saving and climate measures contributing to the 'net zero carbon' goal
 - 5.2 subsidising employment and skills programmes
 - 5.3 subsidies for public service provision in areas of market failure, such as rural bus or rural broadband services, some types of waste collection etc.
 - 5.4 support for research, development, and innovation
 - 5.5 business bailouts, such as failing steel works, car manufacturing plants, banks. Councils may have a role in workforce support packages following redundancies

5.6 aid to ferry links, airlines and airports. Councils may have part ownership.

6. The consultation is seeking views on whether bespoke rules are needed for any or all of the above activities, and the Government will support each area with guidance. It will also explore those instances where the size of grant is so low that it can be automatically considered to be compatible with the regime (no more than £340,000 to single recipient over a three-year fiscal period is proposed).
7. There are also proposals in relation to transparency. Public bodies, including councils, will have to publish all awards of aid above a threshold on a new publicly accessible subsidies database. The proposed reporting threshold is £500,000, for most types of aid.

Proposed LGA response

8. As part of our long-standing dialogue with Whitehall on these questions, we would propose that our response to the consultation is based around following key messages:
 - 8.1 The new regime must be based on local government's experience of what works on the ground.
 - 8.2 Significant simplification and local flexibilities are needed in several areas to ensure local ambitions can be delivered including:
 - 8.1.1 supporting the COVID recovery
 - 8.1.2 ensuring economic growth and 'levelling up'
 - 8.1.3 delivering social benefits / promoting community cohesion
 - 8.1.4 delivering employment and skills reforms
 - 8.1.5 delivering environmental and transport improvements.
 - 8.3 We recognise the need for transparency, but new reporting burdens should be limited. Reporting burdens at the level of each grant programme must be taken into account: councils should only have to publish their awards to businesses one time and in one place.
 - 8.4 Legal difficulties should be ironed out. The businesses receiving the aid, rather than councils, must be responsible for keeping track of the public support they receive from different sources for example. As currently, businesses should continue to self-certify that aid received does not exceed the permitted thresholds.
 - 8.5 The new regime needs to be supported by training and capacity building activities for local government officers. Many councils will not have in-house state aid expertise. Undue concerns over compliance should not stifle valuable projects which should otherwise go ahead. Councils must be given a 'green light' to deliver local benefits.
 - 8.6 The regime needs to be predictable and clearly separated from the new public procurement regime (which LGA is also helping to co-design with government). When goods or services are procured via public procurement, the subsidy control regime is not applicable.

8.7 We seek members' views on these messages.

Implications for Wales

9. The proposals will provide a single legal framework for the whole of the UK. There may be concerns in Welsh local government that a single national framework for subsidies may limit devolved powers in fields such as economic development. Government underlines that spending decisions within the parameters of the new regime will remain with the devolved administrations, however.

Next steps

10. Having discussed the issues raised in this report, lead members will be asked to agree the LGA's final detailed response to the consultation (43 questions).

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