

Devolution Update

Purpose

For discussion and direction.

Summary

This paper describes activity in support of devolution undertaken by the LGA since the last meeting of the City Regions Board, sets out activities currently planned for early autumn and provides an initial overview of proposed priorities for the year ahead.

Recommendation

That members note the update, consider the planned list of activities and outlined priorities and comment, as appropriate, on the direction and substance of the proposed approach set out in paragraphs 12 – 17.

Action

Officers to take forward their work as directed by members.

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Devolution Update

Devolution Next

Overview

1. This report provides members with an update on activity undertaken in support of further devolution since the last meeting of the City Regions Board in June, sets out those activities already planned for early autumn and outlines an indicative set of priorities for the year ahead.
2. Members are asked to note work which has already been undertaken, consider the planned list of activities and outlined priorities and comment, as appropriate, on the direction and substance of the proposed approach.

Recent Activity

3. Since the last meeting of the City Regions Board on 13 June, the LGA has taken forward a wide-ranging programme of work in support of further devolution.
4. On 21 June the LGA hosted, [Devolution – a new type of leadership](#), which considered new and emerging forms of local leadership within the context of devolution to councils.
5. Between 5 – 7 July the LGA's Annual Conference saw the launch of a suite of publications related to devolution, including:
 - 5.1 A key note discussion paper - [What next for devolution?](#) which draws on ideas from board members and councillors across the sector to provoke a wide-ranging debate about the future direction and scope of devolution. The paper encourages councillors, government and others to respond with their views via the LGA's Devonext 'microsite' – www.devonext.org – and will be supported by a range of public affairs and campaign activity over the autumn.
 - 5.2 A ['plain English' guide to combined authorities](#), developed in partnership with Shared Intelligence, which combines an overview of the relevant legislative provisions, with practical suggestions and advice on setting up a combined authority.
 - 5.3 [Professor Robin Hambleton's report on Executive Models of Governance](#), which examines international models of sub-national governance and highlights lessons for those establishing devolved governance structures in England.
 - 5.4 ['Don't Be left in the Dark'](#)- an accessible guide which provides answers to some of the key questions about devolution and what it means for councils, their residents and communities.
6. On 4 August, LGA officers from across the finance and policy directorate facilitated a day-long workshop attended by councils and officials from Communities and Local Government that explored the potential devolution of new responsibilities relating to employment and skills, that might arise from the government's proposal for the full

retention of local business rates. The discussion from this event will be used to inform the LGA's response to Government, which will be considered by the Leadership Board in September.

7. On 9 August, LGA officers, supported by senior council representatives, attended a workshop facilitated by Communities and Local Government to identify key risks and opportunities to devolution arising from the outcome of the EU referendum. The outputs from this discussion have been passed to the Department for Exiting the European Union. In addition, the LGA will be working across Whitehall to ensure full consideration of the potential implications and opportunities for local government.
8. Throughout the summer the LGA has continued to develop and deliver a bespoke offer of support for a number of areas across the country. This has included working directly with Tees Valley CA, Greater Lincolnshire, Norfolk and Suffolk and Cambridgeshire and Peterborough. A meeting with the Chief Executive of Liverpool City Region has been arranged for 12 September and discussions are currently underway to firm up the LGA's support offer to cities and established combined authorities.
9. For reference, local support needs have included: implementation of deals, leadership development, governance, constitution development, completion of assurance frameworks, communications and civic and democratic engagement.

Actions planned for early autumn

10. A number of activities are already planned for early autumn, which aim to take forward priorities previously identified by members and maintain momentum on devolution in response to response to emerging developments. These include:
 - 10.1 Publication in September of commissioned research by the New Economic Foundation (NEF) that will help build the case for citizen participation and highlight a range of practical approaches taken by councils and combined authorities to engage citizens in devolution.
 - 10.2 Publication in September of two pieces of commissioned research by New Economy. The first draws on interviews, desktop research and first-hand experience in Greater Manchester to provide an overview of the potential 'lessons learnt' from the process of devolution so far. The second is an online 'tax and spend' tool that will allow individual areas to better make the case for devolution by providing an overview of public expenditure and fiscal revenue within their area.
 - 10.3 Hosting a communities and devolution event in October that will explore the benefits of enabling citizens to influence local decision-making and service design in the context of devolution.
 - 10.4 Commissioning the production of a new campaign film, aimed at explaining devolution and its benefits directly to citizens. This is due to be launched at the October event.
 - 10.5 Refreshing and significantly redesigning the LGA's Devolution Hub, providing more accessible and better tailored information and guidance, a clearer and

more focused support offer and more regularly updated content on areas of key significance.

- 10.6 Submitting written evidence to the Business Innovation and Skills Select Committee Inquiry into the Government's Industrial Strategy. This will specifically highlight the role of local government in developing an effective sub-national approach to economic growth and stress the importance of continued devolution.
- 10.7 Pressing the case for further devolution through the LGA's submission to government in advance of the expected Autumn Statement. Currently, subject to the agreement of members, it is proposed that our lines are broadly as follows:
- 10.7.1 National government should send a clear message that it will continue to support the existing deal-based approach.
- 10.7.2 Government must be more transparent and flexible regarding its tests for devolved governance arrangements.
- 10.7.3 Government should formally seek to shift its ambitions away from identifying and agreeing a series of licensed exceptions to national policy towards an approach that supports broad place based outcomes.
- 10.8 Continuing to support the RSA's Inclusive Growth Commission, as set out in the separate agenda item.
- 10.9 Continuing to engage and support where appropriate the All Parliamentary Party Group for Reform, Decentralisation and Devolution.
- 10.10 Facilitating the first meeting of an LGA supported combined authorities chief executives network, on 26 September, chaired by Martin Reeves, Chief Executive of the West Midlands Combined Authority.
- 10.11 Further formalising the LGA's devolution support offer, including brokering a tailored package of interventions with the Centre for Public Scrutiny and Local Partnerships and producing material setting out the resource available to councils.
- 10.12 Actively consulting key stakeholders on the LGA's Annual Conference publication and developing a response that seeks to identify and take forward emerging priorities.

Priorities for the year ahead

11. In light of the events of recent weeks, the LGA's key priority in relation to devolution will be stress to government the need to maintain momentum on the deal process currently in train while seeking to highlight the crucial role local councils have to play in better connecting communities to the decisions that affect their lives and the sharing the proceeds of growth from local and national economies.

12. Equally, with the Government continuing to press ahead with its intention to allow local councils to fully retain business rates revenue, it will be critical to ensure that the devolution of any new responsibilities supports local growth and strikes the right balance between devolved areas that have already made significant investments in governance and delivery capacity and those areas that have not.
13. As set out above, both the LGA's Autumn Statement Submission and our wider public affairs work will seek to push the case for greater devolution to local areas, particularly within the context of a new national industrial strategy and the creation of the Department for Exiting the European Union.
14. Looking ahead to the longer term, work is already in progress to develop a programme of commissioned research, events and wider support activity to assist councils in moving ahead with the practicalities of devolution as well as to shape the Government's thinking regarding the pace and trajectory of devolution over the coming months.
15. While not exhaustive, topics currently under consideration for inclusion are:
 - 15.1 Advancing the case for fiscal devolution.
 - 15.2 Exploring the role of combined authorities in supporting service transformation.
 - 15.3 Developing a programme of joint work with Communities and Local Government in support of new directly elected Mayors.
 - 15.4 Highlighting and supporting the role of local government can and does play in securing international trade.
 - 15.5 Developing a coherent understanding of the challenges and emerging best practice around the use of digital technology and city-region service provision.
 - 15.6 Reappraising the role of Local Economic Partnerships within the context of a newly emerging industrial strategy.
16. **Board members are asked to consider this list of potential priorities, reflect on the emerging context and comment on the direction and substance of the proposed focus.**