

Note of last City Regions Board meeting

Title:	City Regions Board
Date:	Friday 2 September 2016
Venue:	Westminster Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ

Attendance

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

Item	Decisions and actions	Action
1	Welcome, Apologies and Declarations of Interest The chair welcomed members to the meeting and noted apologies (listed below). Introductions were made around the table. The chair proposed moving item 5 (Membership and Terms of Reference) to the end of section 1 (to become item 7). This change was agreed . There were no declarations of interest.	
2	Work Programme 2016/2017 The chair introduced the item and asked members if anything should be added to the work programme. Ian Hughes, Head of Programmes, advised the board that there would be a discussion on Britain exiting the EU at the next LGA Leadership Board on the 14 th September 2016. This would focus on EU funding issues and the need to secure resources until 2020. The discussion would also consider EU law and the impact changes in legislation would have on local government. Constitutional issues would also be taken into account and the need to build a future legal framework. In the discussion which followed, members made the following points: <ul style="list-style-type: none">• Members asked whether there had been an indication from the civil service of what the negotiation strategy would look like. It was important for local government to press for an indication of this.• Members queried whether there was a list of asks for local improvements and highlighted that this was an opportunity to make the case for localising powers that came back from Europe.• Many city economies were driven by research and many were	

reliant on European funding. The distribution of resource after the EU exit, therefore, would need to be done in a fair and transparent way. Most research was carried out through international collaboration and universities should be allowed to continue these partnerships. Local government needed to work with universities on this.

- It was highlighted that the exit negotiations should also be seen as an opportunity to develop and improve research.
- Government would need to be pushed for clarity on what would be funded and whether EU money currently funding local government would be replaced. Distribution mechanisms should also be clarified. Local government would need to stand together on this issue.
- There were concerns about the status of EU residents without British citizenship and the impact this was having on communities. The government needed to be pressed to resolve this. Members also made the point that some fractures in society were not related to the decision to leave the EU but that local authorities were well placed to address these.
- Members emphasised that the LGA's contribution to the exit plans needed to be unique and distinctive to ensure it did not get lost in the many issues which would be raised.
- It was highlighted that EU regulations on procurement could now be relaxed to give more opportunities to local business. However, members emphasised it was important to maintain rules that prevented industrial disputes and avoided policies which only allowed one industrial policy to operate in one part of the country.

Decision:

1. The board **agreed** the draft work programme for 2016/2017.

Action:

1. Officers to take forward work as directed by members.

3 Inclusive Growth Commission Update

In absence of Claire Hogan, Philip Clifford (Senior Adviser) updated the board on the progress of the commission. He advised members that the commission had held evidence sessions and were trying to build an evidence base for a new model for growth. The RSA were currently considering possible key debates and were asking for written evidence from all stakeholders. It was estimated the commission would conclude next year.

He asked members to consider the questions in appendix A and suggest any areas that they would like to see a focus on. He also requested that

members look over the planned future activities at party conferences and advise if there were areas they would like prioritised.

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

- It was felt that an international perspective was lacking in the report and there was concern that it might not present solutions which would work at scale.
- There needed to be concentration on economically successful places and thought put into how to maintain economic growth in these areas.
- Smaller cities experiencing problems of their own success should be considered. Policies on the greenbelt needed updating as it was preventing expansion and the building of new housing. However, members emphasised that spatial and lack of housing were problems in larger cities as well. Members also raised concerns that some contaminated land in local areas had been left untreated. This needed to be treated and used.
- Local government structure was complex and outdated, and current suggestions from government were not addressing this. As a result, local communities were trying to speak with one voice but were unable to.
- It was suggested that the problems of assertions without evidence should be raised in one of the seminars. The issue of inclusive growth without inclusive economies was discussed, and it was felt there had been an assumption that places were the same as communities. Investment needed to be made in the nature of place to encourage people to continue to live there. It was felt that the paperwork was vague on this point.
- Procurement and supply chains needed to be more inclusive in economies.
- In scale, the least inclusive parts of the country were urban areas. It was felt this was a point the board should be making.
- Demographics were also discussed, and the imbalance of the population when those aged 45+ were finding their skills were becoming less relevant as the skills of younger people became more so. The point was also made that young people were more mobile - there were no longer jobs for life and young people were being forced to move in order to progress. Solutions needed to be found to address both problems.
- Universities were discussed in relation to the above issue, and the idea that if a city established a university, it would retain its young population. The evidence illustrated however, that young people applied to universities based on a city's lifestyle. It was further felt that there were different demographic divides in all societies and it was important to look at the generality rather than individual cases.

Projects needed to benefit more than a few hundred people.

- The point was made that there was a danger of focusing too much on wider areas in preference to local areas. Local level solutions should be worked on to connect people back into the local economy.
- However, members emphasised that it was important to recognise the relationships between areas surrounding each other and that all of these places needed to be inclusive. For example, all the more economically inclusive parts of greater Manchester surrounding it related to it economically.
- A key objective would be to enable people that lived in an urban centre to earn the same amount as those that commuted there. In addition, having a high employment rate in an area did not necessarily indicate greater inclusivity. Manchester for example, had a large student population in part time work which was reflected in average wages there.
- Members asked at what point Britain had been more inclusive. It was acknowledged that this was a contested point, but the evidence suggested Britain had been more inclusive 40 years ago.

Decisions:

Members:

1. **Noted** the commission's activity and findings to date.
2. **Provided** an initial steer on the focus of the LGA's submission of evidence to the Commission's 'Prospectus of Inquiry'.
3. **Provided** a steer on how the LGA might best support this work in light of significantly changed national context and the emerging priorities of Regions board.

Actions:

1. Officers to take forward work as directed by members above.

4 Leading Places Project Update

Philip Clifford, Senior Adviser, introduced the item, advising members that the Leading Places Project was a joint initiative between the LGA, the Higher Education Funding Council for England (HEFCE) and Universities UK (UUK). The project's aim was to explore how best to strengthen collaborative leadership between councils and the higher education sector through a pilot in six areas.

He advised the board that the six areas were currently choosing challenge themes to take forward with the help of facilitators (the Leadership Foundation). Gloucestershire had now held their Senior Leadership Group Meeting and had confirmed their challenge theme. The other five areas were expected to hold meetings and confirm challenge themes by the end of September. There would be a national event in November where pilot areas would share their ideas and progress so far.

He advised the board that a website for the project was now up and running and that there had been significant interest in the project. Officers were currently considering whether there was sufficient interest to run a second phase and asked members for suggestions on taking this forward and on what basis pilot areas should be selected.

In the discussion which followed, the following point was made:

- The project might be of benefit to areas that had not had an area review on further education as it could help to change the shape of this.

Decision:

1. Members **noted** the update.

Action:

1. Officers to continue to update members as the project progressed.

5 Membership and Terms of Reference

Decision:

1. The board **noted** membership for 2016/2017 and **agreed** the terms of reference for 2016/2017.

6 Devolution Update

Philip Clifford, Senior Adviser, introduced the item and advised the board on activity that had taken place since the last board meeting. The discussion paper 'What Next for Devolution?' had been launched at the LGA Conference in July, a guide to setting up a Combined Authority had

been prepared by Shared Intelligence and an international comparison of sub-national governance arrangements produced by Professor Robin Hambleton. The board's policy officers have supported the finance team with work on business rates reform, ensuring that there was a voice for City Regions in the negotiations on this. Officers had also recently attended a series of DCLG workshops on devolution.

The next key piece of work would be the autumn statement and officers would be working to press the case for devolution to government, encouraging national government to stay the course and look to go beyond the existing devolution deal process. The chief executives of the established combined authorities would also be assembled as a separate group as part of the improvement support offer.

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

- Members asked how the public fitted into the debate. Members were advised that points 10.1 and 10.3 in the paper explained the communities and devolution event taking place in October and the campaign film due to be launched the same month.
- There had been a consultation on West Midlands Combined Authority which around 2,200 people had responded to. Members expressed concern that the majority of the public were not aware of devolution or had no interest in it. However, it was pointed out that the public were aware and involved with plans for devolution in the Tees Valley area.
- Members suggested that it would be beneficial to work with the Department of Education and secure devolution on areas such as the plans for academies and area reviews.
- Members felt that the government needed to put forward a more objective set of proposals that local authorities could work with and provide clarity on mayors and business rates (as this was an area closely related to devolution). It was acknowledged that the LGA commissioned study of international models of sub-national governance offered a range of alternatives for consideration.

Decision:

1. Members **noted** the update.

Action:

1. Officers to take forward work as directed by members.

7 Note of the Previous Meeting

Decision:

1. Members **agreed** the notes as an accurate summary of the meeting.

8 Next Steps on Employment and Skills Update

Jasbir Jhas, Senior Adviser, introduced the report, updating members on activity on skills and employment and proposing a way forward for the next two years. She discussed plans to replace Job Centre Plus and the benefits of localising the skills system and avoiding a centralised approach. She advised that in ensuring education worked for young people, more needed to be done to engage the Department for Education on this issue. Members had previously agreed to use 2018 as a milestone, and would consider what the skills service could look like at this point.

Appendix A provided a potential solution that would be put forward to central government, proposing a system that bridged the current employment and skills system and highlighted challenges within that system.

She asked members what needed further reflection in the specification, what part devolution had played in the Work and Health Programme, and whether this had fallen short of what a national offer could have provided.

She advised members that the board's chair and Cllr Mark Hawthorne (chairman of the LGA People and Places Board) would be meeting with Penny Mordaunt MP, Minister of State for Disabled People, Health and Work, on Monday 12th September. The meeting would be an opportunity to put forward the case for local government and highlight that local government could not sign up to the MoU as it currently stood.

On skills, more needed to be done to convince the Department of Education of the benefits of localism, to encourage them to use local government as a conduit to engage employers in local areas, and to highlight local government's ideas for apprenticeships.

She also asked members to consider if there were issues in the Business Rates Retention discussion on employment and skills that could be taken forward.

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

- Members suggested that the LGA should ensure employment and skills was on the agendas for the party conferences.
- Appendix A could be more specific and should emphasise that individuals needed the right start in life. It was felt that the message was currently too broad.
- Members discussed problems for children services where children were entering the school system when they were not ready. It was requested that a joint conversation between DWP, DfE and the LGA should be set up to address this problem.
- Members asked what could be done to widen the areas considered in the Work and Health Programme.

- The locally run skills and employment plan in Southampton and Portsmouth was discussed, as it was felt this had been particularly effective and was a good example of a scheme being run well locally. It was agreed that Cllr Simon Letts would ask the skills co-ordinator in Southampton to send information on the scheme to LGA officers.
- Members raised issues of low income which were not always resolved by getting people into work if there was no progression in their employment.
- Members discussed the problems with sending the unemployed to many different companies to try and help them find work. This was an overcomplicated system.
- Walsall Works was also discussed as a locally run program that had created 600 jobs in the local area and helped people into work.

Decisions:

1. Members **noted** the update and the recommendations.

Actions:

1. LGA officers to amend appendix as requested above.
2. LGA officers to seek to set up a meeting with the relevant DfE Minister.
3. Officers to take forward work as directed by members.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Sir Richard Leese CBE	Manchester City Council
Deputy-chairman	Cllr Liz Hazell	Walsall Metropolitan Borough Council
Members	Cllr Robert Alden	Birmingham City Council
	Cllr Sean Anstee	Trafford Metropolitan Borough Council
	Cllr John Beesley	Bournemouth Borough Council
	Cllr Samantha Dixon	Cheshire West and Chester Council
	Cllr Helen Holland	Bristol City Council
	Cllr Jean Stretton	Oldham Metropolitan Borough Council
	Cllr Jon Collins	Nottingham City Council
	Cllr Peter John OBE	Southwark Council
	Cllr Simon Letts	Southampton City Council
	Cllr Sue Jeffrey	Redcar & Cleveland Borough Council
	Cllr Iain Roberts	Stockport Metropolitan Borough Council
Apologies	Cllr Robert Light	Kirklees Metropolitan Council
	Cllr Donna Jones JP	Portsmouth City Council
	Cllr Julie Dore	Sheffield City Council
	Cllr Martin Gannon	Gateshead Council
	Mayor Joe Anderson OBE	Liverpool City Council
	Cllr Timothy Swift	Calderdale Metropolitan Borough Council
	Cllr Susan Hinchcliffe	Bradford Metropolitan District Council
	Cllr Warren Morgan	Brighton & Hove City Council
	Cllr Abigail Bell	Hull City Council