

Economy and Transport: Key Issues and Priorities

Purpose

For discussion and direction.

Summary

The purpose of this report is to help Board discussions on setting economy and transport related priorities for the next 12 months. The report summarises the achievements of the Economy and Transport Board in the past year and highlights legacy work from the previous Board as well as proposals for new work areas. Whilst there have been significant LGA achievements, at the last meeting members provided advice as to further work that may be required to embed our wins and ensure that member councils are given the resources, freedoms and powers to meet the needs of their communities and business and local growth.

Recommendation

That the Board discuss the key issues and suggested priorities and areas of focus.

Action

Subject to agreement by the Board, officers to undertake the projects set out in this report over the course of the next year.

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Introduction

1. The LGA's business plan includes specific objectives within the Board's remit on economy and transport issues which includes:
 - 1.1. Councils have a key role to play in driving economic growth, new jobs and wealth creation – we will lobby for the devolution of power, policy and funding streams to secure UK growth and promote the menu of freedoms granted to the early City deals so that these are offered to all local enterprise partnership (LEP) areas.
2. The LGA's corporate campaign '*Investing in our nation's future: the first 100 days*' puts forward a costed route-map for an incoming government on the key issues at the top of any new government's 'to do' list. Local growth and transport play a prominent role and the campaign proposes the following measures:
 - 2.1. Devolve all funding for local growth, regeneration, skills and employment support through councils to LEPs, replacing the current system of more than 100 funding streams so investment decisions can be based directly on what businesses need to create jobs.
 - 2.2. Inject £1 billion a year into a much-needed programme to address the pothole backlog by investing 2p a litre from the existing fuel duty to fix our roads.

Economy and local growth – issues and achievements

3. At its final meeting in July, the Economy and Transport (E&T) Board discussed how much progress has been made towards the scale of devolution we are ultimately seeking and how the LGA can keep up the pressure. Last year, the E&T Board successfully pressed for the government to give all areas of the country an opportunity to negotiate Growth Deals. Deals are now in the process of being signed with all 39 Local Enterprise Partnerships (LEPs), although there remain outstanding issues that members felt that the new Board may wish to keep an eye on (discussed below).
4. The E&T Board finished the year by publishing two new pieces of research that can be used to mount a strong case for a proper single pot to be established at the next Comprehensive Spending Review. Taken together, they demonstrate how heavily centralised and bureaucratic the system is, generating unnecessary costs and discouraging investors. The first piece revealed that there were 124 funding streams for local growth across 20 Government Departments amounting to over £22 billion in 2013-2014. By contrast, the Local Growth Fund established by the government is £2 billion.
5. The Board also produced the first quantitative data on the costs of bidding. This work was endorsed by the Federation of Small Businesses and the LEP Network.

Priorities

6. This Board has kept the pressure on Whitehall to keep its promises on devolution. The LGA research, mentioned above, on the growing number of ring-fenced budgets has been covered in the press and raised in Parliament. Change in this area has been incremental, but there is a growing impetus on all parties to devolve further. It is proposed that this work needs to continue to and beyond May 2015.
7. Both the City Region and People/Places Boards are developing work in this area, looking at the tangible benefits of fiscal devolution to metropolitan and non-met areas. Whilst there is a similarity of approach, it is proposed the Environment, Economy, Housing and Transport (EEHT) Board should take the lead on pressurising Whitehall to fulfil the promise of the Adonis and Heseltine reviews, whilst the other Boards set the benefits of devolution to residents in specific places.

Transport – Issues and achievements

8. The previous E&T Board's work on transport priorities covered roads reform, pot-holes, streetworks, winter resilience, infrastructure investment, buses and parking policy. The common themes that ran through this work were the need for stable funding and for councils to be able to view transport as a whole rather than micro-managed through Whitehall. This was the conclusion of our independently researched report Better Roads for England (<http://tinyurl.com/l6ejdb6>).
9. **Parking.** LGA lobbying in response to the Government's proposed ban on CCTV enforcement of parking resulted in a Government concession of four key exemptions to the ban – outside a school, on a red route, in a bus lane and at bus stops. We continue to argue for further exemptions, having built a broad coalition of opposition to the Government's proposals. In addition, LGA lobbying led to the abandonment of a proposed 15 minute grace period for parking in prohibited areas (yellow lines) amongst a number of other early proposals.
10. **Streetworks.** In February 2014 the Streetworks Taskforce, a partnership with utilities and business, established at the LGA's instigation launched a joint statement of 'What Good Looks Like' in relation to streetworks. It is very encouraging that the National Joint Utilities Group (NJUG) have embraced this approach and are actively developing innovative and best practice case studies.
11. **Pot-holes and winter weather.** There was success on the back of a call for support from the LGA for emergency Government funding for our roads and communities following severe damage caused by this year's wet winter and flooding. A total of £183.5 million was made available to councils to repair damaged roads. Our call for Government to simplify rules relating to emergency transport funding was also picked up by the DfT's own Transport Resilience Review expert panel and the Government are expected to respond this autumn.

12. **Roads Reform.** Following years of frustration with the Highways Agency (HA) the Board were instrumental in achieving a breakthrough in relations between councils and business leaders on HA support for local growth. The Chief Executive of the HA attended the last E&T Board to share how the Agency intends to support Strategic Economic Plans how local engagement is going to be wired into the workings of the new strategic company that will replace it.

Priorities

13. It is proposed that the Board's work on transport is focused on the following strands of work:
14. **Continue to oppose the ban on use of CCTV enforcement for parking** as we believe the balance of responses to the Government's consultation were in opposition of the ban. At the same time, LGA officers are working with other partners in order to present a coherent opposition to the plan and seek assurances that the ban will not take effect until the exemptions are in place and regulatory and equalities impact assessments have taken place.
15. **Continue to press Government to give councils certainty of funding for highways maintenance.** Councils continue to be frustrated by the uncertainty of funding for highways maintenance and have called for similar certainty of funding enjoyed by the Highways Agency. The Government have not ruled out top-slicing an element of local highways maintenance funding for a competitive 'challenge fund', and are expected to formally consult on future funding in the very near future.
16. According to industry experts there is a £12 billion backlog in roads maintenance and our *First 100 days* campaign calls for the next Government **to spend the equivalent of 2 pence of existing fuel duty to bring our roads up to scratch.**
17. **Work with Government to address the growing public concern about the capacity of councils to fund local bus services and devolve funding and franchising powers.** This will continue to be a headline issue for councils and should form an important part of the LGA's work to influence the incoming or returning Government's proposals for the next Comprehensive Spending Review. LGA officers are already involved in the Department for Transport (DfT's) working groups looking at further improvements and possible devolution to councils of the Bus Services Operator's Grant (BSOG).
18. **Ensure that the HA and the new strategic highways company work with councils to support local growth and engage in meaningful consultation in the design of their plans.** The draft license for the new company includes a requirement for the company to cooperate with local authorities. Whilst this is welcome councils would like to see a culture of cooperation with local partners embedded across the new company and its regional operations.
19. In addition, nearly all Local Enterprise Partnerships had specific asks of the Highways Agency in their local growth deals. It is important that pressure

continues to be applied to both DfT and the HA to ensure that the HA and the new company does all it can to respond positively to each ask.

20. **Continue to press the government to devolved sufficient powers and funding to allow councils to address transport issues effectively.** Our Better Roads report established the plethora of separate funding streams in transport, the difficulties arising from the competitive access to many of these funds and the shortfall in powers that hampers attempts to reduce congestion and improve safety for other road users, including cyclists. A prime example of the problem is the Government's continuing failure to give English councils outside London the powers in Part 6 of the Traffic Management Act 2004, which relates to the civil enforcement of traffic contraventions.

Hidden Talents – issues and achievements

21. Through the LGA's Hidden Talents programme, members of the Economy and Transport and Children and Young Peoples' Boards made the case for simplifying, joining up and devolving support for young people to ensure that it is locally coherent and meeting the needs of individuals and employers.
22. The programme has helped influence the debate on the future of public services to young people, for instance publishing analysis of skills mismatches, and youth underemployment, which had impacted in a range of ways, including the devolution of £50 million to councils to run local youth employment schemes.
23. Despite recent falls, youth unemployment remains far too high, still 750,000 are unemployed and 1.17 million are not in work, education or training. The recession has pushed 100,000 young people so far from opportunities they are unlikely to ever fully recover, and those in work are more likely to be underemployed, insecure, and low paid.

Priorities

24. Looking ahead, the Hidden Talents programme will seek to continually influence the development of Party Manifestos including:
25. **Building on the *First 100 Days campaign* setting out the case for decentralised skills, careers advice, NEET support and Jobcentre Plus services.** A Youth Transitions report will be launched at National Children and Adults Services Conference in October.
26. **Evidencing the case for reform of careers advice** through a project working with the Centre for Economic and Social Inclusion (CESI). This will evidence the impact of poor post 16 choices on young people's participation and achievement, estimate the costs for Government, and make the case for reform – planned completion in November 2014.
27. **Develop recommendations for a locally-led apprenticeship model** through a project with the Institute of Public Policy Research (IPPR). The project will

demonstrate and assess the drivers behind poor apprenticeship outcomes for young people, work with councils to look at the impact of their initiatives, and develop recommendations for a locally-led apprenticeship model - planned completion in December 2014.

28. **Build evidence to support roll out for local authority led employment programmes.** Working with the National Institute for Economic and Social Research (NIESR) this project will involve a qualitative and quantitative assessment of the performance of 10 local authority employment programmes, exploring the scope for rolling successful ones out nationally – planned completion in December 2014.

29. Members are asked to:

29.1. Consider and agree the future priorities proposed 6-7, 13-20 and 24-28.

29.2. Subject to the Board's view agree that officers should develop the proposed areas of focus into a work programme for agreement with the portfolio lead and other lead members.