

City Growth Commission

Purpose of report

For discussion.

Summary

Jim O'Neill, Chair of the City Growth Commission, and Charlotte Aldritt, Secretary to the Commission, will be in attendance to discuss the recommendations of the Commission's final report, which is due to be published on October 22.

Recommendation

Members to take the Commission's findings (set out in points 5.1-5.4) into account in their broader debate about future devolution.

Action

Officers to take forward as directed by members.

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City Growth Commission

Background

1. The LGA City Regions Board has sponsored the City Growth Commission, alongside Core Cities, London Councils and the Greater London Authority. Our aim in becoming a sponsor was to bring in some prominent business and third party voices into to the debate, to add weight to what local government has long been saying.
2. The Commission is chaired by Jim O'Neill, the retiring Chairman of Goldman Sachs Asset Management, who will be attending the Board. The Commission has been in the process of evidence-gathering, research and analysis since October 2013, holding expert seminars and roundtables, hearing from local leaders and engaging with civil servants and national party politicians and special advisors, as well as a range of organisations and institutions. Four reports have been released so far: an overview of English metro region performance, skills, transport and fiscal devolution. The final report is due to be launched on 22 October.
3. In order to ensure that members were able to influence the Commission's findings, we arranged for the Chair and Vice Chair of the Board to meet with Commissioners on 17 September. The Board also requested that specific consideration be given to the role of smaller cities and we understand that the final report will reflect this. Smaller cities were also represented at the Commission's roundtables at party conferences, which Cllr Paul Watson (Sunderland City Council), Gr. Uff. Marco Cereste (Peterborough City Council), and Cllr Katie Hall (Bath and Northeast Somerset) attended on the LGA's behalf. Members' feedback highlighted that those places that are ready to run (including some counties) should be given an early opportunity; the role of smaller cities in promoting growth and public service reform needs to be considered; and the urgent need for fundamental reform of our skills and employment system to promote more effective locally-led approaches.
4. Members are invited to consider how to build on the Commission's recommendations in future lobbying work. Key findings are set out below.

Expected findings

5. The final report is under embargo until the launch date, but we understand that the findings will be largely drawn from the recommendations in the Commission's thematic reports, including the following:
 - 5.1. Devolved Status
 - 5.1.1. "Devolved Status" should be given to metros that have been independently assessed as demonstrating robust governance and accountability structures, visionary leadership and the economic growth potential sufficient to ride the difficult storms of devolution.
 - 5.1.2. Rather than a top-down blanket 'policy' of devolution, a process should be established through which the UK's major metros can benefit from new

powers and flexibilities that match their capability and ambition.

5.2. Fiscal powers

5.2.1. Multi-year finance settlements of between five and ten years (depending whether resource or capital);

5.2.2. The ability to retain the proceeds of growth through outcomes focused finance models;

5.2.3. Freedom to spend grants without ringfencing, enabling city-regional pooling of budgets;

5.2.4. Greater flexibility of capital reserves and more borrowing flexibility; and,

5.2.5. The freedom for the most devolved metros to raise and retain a suite of taxes (e.g. Business Rates, Council Tax), offsetting these revenues in a net neutral grant settlement with HM Treasury.

5.3. Skills

5.3.1. Metros would administer Adult Skills Budgets with reference to evidence-based skills strategies and other advice prepared by the Local Enterprise Partnership (LEP).

5.3.2. LEP advice would be based on consultation with local stakeholders, with greater focus on timely, accurate and metro-level outcomes data to inform commissioning and trigger reviews of contracts for provision where necessary.

5.3.3. Metros could apply to the Low Pay Commission to review and recommend to Parliament that a Metro Minimum Wage (MMW) be introduced.

5.3.4. Immigration and visas – pilot a more flexible Graduate Entrepreneur visa in the eight Core Cities to attract and retain skilled young talent in metros outside of London.

5.4. Governance

5.4.1. A robust, accountable model of governance is needed for effective collaboration between local authorities to ensure decisions can be taken in the best interest of the city-region.