

Update on the work programme

Purpose of report

For discussion.

Summary

The paper sets out the progress that has been made to date on the work priorities agreed in April: devolution for economic growth and public service reform; skills, employment and welfare reform; and trade and investment. Items 3, 4 and 5 of the agenda provide an opportunity for more substantive discussions of these priorities.

Recommendation

Members are asked to note the report and comment on the progress outlined to date.

Action

Officers to progress in line with lead members' comments.

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Update on the Work Programme

Devolution and public service reform

1. Members have agreed a focused work programme to add value to the evidence base for securing more powerful city regions in England.
2. At its last meeting, members agreed that with devolution having shot to the top of the public agenda, the Board's work programme needed to focus on building on the momentum generated by recent announcements on Scottish and English devolution. Sir Richard Leese spoke on behalf of the City Regions Board at a seminar on devolution with the LGA Executive on 14 December. At the conclusion of that seminar, it was agreed that the LGA should be in the space of setting out a vision and route-map for achieving devolution within the UK over the course of the next parliament. It has been proposed to the LGA Executive that the detailed work of shaping that vision and strategy be delegated to the City Regions and People and Places Boards, which will be discussed at item 3.
3. We reported to the Board on our Chatham House work on the future of LEPs with senior civil servants and the LEP network. The headline steer we are following is that LEP reform must address the issue of public accountability and be accompanied by genuine devolution to local areas. There has been follow up with BIS and Cabinet Office officials to influence their briefings and we are intending to meet again formally in the new year to discuss advice to any incoming ministers.
4. The City Growth Commission published its final report on 22 October and was covered widely in the media. The final report reflected members' steer that the role of smaller cities should be appropriately recognised. The Board has also been analysing the findings of the Non-Metropolitan Commission and the independent Commission on Local Government Finance set up by the LGA and CIPFA to identify common themes and potential lobbying planks. Both Commissions published interim report in the autumn. At item 6, members are invited to consider the interim findings of the two commissions and how they, together with those of the City Growth Commission, can inform the Board's future work.
5. As part of a joint piece of work with the People and Places Board, we have commissioned RAND Europe to deliver a research project to refresh the evidence and develop a model for public service transformation across the local public sector in non-metropolitan and city areas. Nine places are involved, including the West Yorkshire Combined Authority, Cambridge City Council and potentially Peterborough City Council. The final report will be delivered in mid-February.

6. In December, officers met with the officials managing the Government's Public Service Transformation Network to explore the potential for joint work to engage departments that are currently less sold on the public service reform agenda ahead of the next Spending Review. A follow-up meeting is planned for later this month. It is proposed that a more detailed paper on the public service transformation workstrand be brought to the Board in March.
7. One area where early progress has been difficult is bringing an international perspective to the work programme. Whilst senior officials at international LGAs committed to supporting us on a peer review, the ability to ensure that appropriately senior people from Canada, Germany, the Netherlands and South Africa were available for three days and at the same time has proved impossible in the short term. Feedback from the other associations is that it would be easier to develop some bilateral work rather than using the tool of a peer review to focus the international perspective. Lead members have agreed to put this project on hold for this year. In the meantime, we are liaising with the Organisation for Economic Co-operation and Development to explore the scope for City Regions Board involvement in a conference on local economic development that they are holding in England this June.
8. Last month, the Government set out its intention to reform the legislation related to combined authorities and economic prosperity boards. Officers are now analysing the proposals in more detail and have sought views from Core Cities, Key Cities, London Councils, the District Councils Network and the County Councils Network. The LGA response will be jointly cleared through lead members of the City Regions and People and Places boards. The consultation closes on 26 January.¹

Skills, Employment and Welfare Reform

9. The key objective here is to influence the re-letting of the work programme in 2017 to ensure that an integrated local model of delivery for skills, employment and welfare is favoured by ministers.
10. We have commissioned CESI to provide a series of reports which sets out the future skills and employment challenges that will hit the desk of an incoming (or returning) minister. The first report (which was presented to members of the Board in July) focused on place and looked at whether current employment and skills policy would deliver skills for future jobs in a range of cities. A second report from Centre for Economic and Social Inclusion (CESI) is currently being finalised which looks at the current employment programmes from the perspective of individuals. This will be presented to this Board meeting. There will be a final report from CESI giving conclusions to the research papers will be delivered in March, after a steer from members.

¹ <https://www.gov.uk/government/consultations/proposal-to-use-a-legislative-reform-order-in-forming-a-combined-authority-or-economic-prosperity-board>

11. We have commissioned National Institute of Economic Research (NIESR) to review the advantages of local delivery from the many local employment projects. This work is currently being completed and will be available this month. NIESR will also be attending this meeting to present findings.
12. From this CESI and NIESR research delivered to date, and following Board members recommendations on next steps, we will develop further steps in discussion with our Chief executive advisers, and bring this back to the Board's attention.

Trade and investment

13. The research on trends and future projections in trade and investment that we have commissioned from Oxford Economics has been delivered and is covered in more detail at item 5. Their initial findings show that there is indeed cause for concern about the UK's future performance. It also indicates that there are strong trade flows between some places outside the South East in the international context that we should be building on.
14. This research looks set to position us nicely for the next phase of work. We are working with a range of cities and city regions to develop the main tenets of a city-based trade and investment offer and importantly, what this means for future BIS and UKTI policy and operations decisions.
15. Officers have also met with the British Property Federation, Institute for Chartered Accountants in England and Wales (which has a major work programme on exports), British Chambers of Commerce and Federation of Small Businesses to discuss our future plans and all have indicated that they are keen to engage. To that end, we are scoping our plans for a "deep-dive" event to test our proposals with experts in early 2015.
16. In November, we learned that the government contract for regional support on inward investment (currently held by PA Consulting) is being re-tendered. Officers have met with the UKTI officials leading the tendering exercise to ensure that the needs and views of city regions are properly taken into account in the decision-making process. Following that meeting, officials have approached us to do some joint work highlighting success stories in attracting inward investment to the UK. We are also in the process of seeking a meeting with lead officials on export policy at UKTI.