

Chair's Report

Purpose

For discussion and direction.

Summary

This report updates members on the following areas of the Board's work programme:

- Devolution and public service reform
- Skills and employment
- Trade and investment

Recommendation

Members are asked to consider progress to date

Action

Officers take note of Members' comments in taking forward the recommendations.

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Chair's report

Devolution and public service reform

1. Following the LGA Executive's discussion on devolution in January, the City Regions Board and People and Places Board were asked to develop a new vision of future English governance and a route map to achieve these goals over the next Parliament. Members will be discussing this work in detail at today's meeting and a confidential paper to support the discussion has been circulated.
2. The City Regions and People and Places Boards also jointly commissioned RAND Europe to analyse the success factors that underpin successful locally-led public service transformation and the barriers to faster progress. Two city regions, West Yorkshire Combined Authority and Greater Cambridge, feature as case studies in that work. A copy of RAND's final report will be circulated to members separately. Broadly, the report shows that there is an emerging evidence base about how locally-led transformation is starting to lead to improved outcomes for residents and has the potential to deliver savings for the Exchequer. It also shows that public service integration is being supported at a variety of different geographic levels, from the neighbourhood to the city region. Many places are building upon their strong track record leading economic growth to start to develop place-based budget type approaches, but progress is varied and it is often early days.
3. It is suggested that members consider how to accelerate progress towards promoting place-based budgets for city regions as part of the Board's future work programme. Our discussions with city regions during the process of commissioning the report revealed that there is a great demand for support and development from the LGA to help them scope out a more comprehensive and tangible plan for public service integration across their areas. For example, they were keen for more help in identifying total public spending coming into a city region, building cross-public sector leadership capacity, and harnessing the lessons from areas achieving early successes for the benefit of areas at an earlier stage. The LGA has already started to work on some tools that may help in this regard; for instance, our finance team is developing a tool to help places who want to develop place based budgets to map public expenditure coming into an area.
4. Since the autumn, there has also been a big increase in demand from city regions and non-met areas across the country to help them scope out their options for forming combined authorities and/or other models of formal sub-regional governance, as well as their more detailed devolution proposals. To that end, the LGA has produced a set of tools that can help authorities take stock of the breakthroughs that have been made through the City and Growth Deals and understand the different governance models in operation: <http://www.local.gov.uk/devolution>. Members may wish to consider the role that the LGA and forerunners on the devolution agenda can play to accelerate the pace of readiness across city regions.
5. On the City Regions Board's recommendation, the LGA also endorsed the Modern Charter for Local Freedom, building on the 800th anniversary of the Magna Carta. The Charter was launched at the Core Cities UK Devolution Summit in Glasgow on February 9th. All councils have been invited to sign up: <https://www.change.org/p/the-leaders-of-the-main-political-parties-sign-up-to-our-charter-and-support-more-freedoms-for-our-great-cities>

Skills, Employment and Welfare Reform

6. The City Regions and People & Places Boards commissioned the Centre for Economic and Social Inclusion to analyse the skills and employment challenges to be faced by an incoming or returning Government, and offer a proposed localised solution including options for devolving the work programme in 2017. Working with Inclusion, the LGA has finalised *Realising Talent: a new framework for employment and skills*, **our** proposal for devolved and reformed commissioning of employment, skills, and welfare support. The plan is to publish the report before the general election. A key aim is to influence successor arrangements to the current Work Programme, when contracts expire in 2016/2017. This will be an almost immediate decision of an incoming or returning DWP / HMT ministers. A copy of the report has been circulated to members.
7. In parallel, we are also working with DWP to inform their thinking on successor arrangements to the Work Programme, ran a joint workshop with the national network of employment providers (ERSA), and working with a range of other stakeholders to ensure that our wider proposals have support wider than this sector.

Trade and investment

8. At the January meeting, members discussed the research the LGA commissioned from Oxford Economics at into past and future trends in trade and investment and the potential role of England's city-regions was presented at the City Regions Board on 19 January. Members' comments indicated that rather than a uniform set of proposals on how trade and investment operations should operate in city regions, the LGA should be promoting a differential approach linked to the sectoral strengths and growth potential of different city regions. We have been feeding our research and members' comments into discussions with UKTI and BIS officials to particularly push for bespoke arrangements with city regions to form part of the next government's strategy for attracting inward investment.
9. We have also been invited to submit evidence to the Cole Review of British Exports set up by the Labour Party. Our evidence will major on featuring case studies of city regions that have made boosting exports a major part of their economic strategies and demonstrate that by enabling city regions to play a greater role in coordinating the place-based policy and investment decisions that affect export potential, including skills, infrastructure and connectivity, city regions can help boost the UK's performance in every part of the country.
10. The Board's push for more effective engagement of local areas in inward investment arrangements has also been picked up by the Non-Metropolitan Commission, whose recommendations include "Encourage further investment in nonmetropolitan areas by encouraging locally-led promotion of Foreign Direct Investment in local areas that complement and add value to the existing UK-wide approach."