

Note of last People & Places Board meeting

Title: People & Places Board
Date: Thursday 14 January 2016
Venue: Smith Square 1&2, Ground 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
8	Welcome, introductions and declarations of interest The chair welcomed members to the meeting and introduced Chris Townsend (Chief Executive) and Andrew Field (Head of Operations) from Broadband Delivery UK. Apologies for absence were noted. Councillor Mike Jones repeated the declaration of interest made at the board meeting on the 19 th October 2015 - that he was currently working as a consultant for a company involved in the broadband sector.	
9	Minutes of the last meeting on 19 October 2015 In the minutes of the meeting held on the 19 th October 2015, it was noted that page two, point three, should also state that LGA officers would liaise with the District Councils' Network as well as County Councils' Network. Decision The minutes were subsequently agreed .	
10	Superfast Broadband and the Digital Divide Daniel Shamplin-Hall, Adviser on Policy and Finance, introduced the report on superfast broadband and the digital divide. At the last meeting, members had highlighted frustration around the lack of progress on connectivity. Since then, a nationwide survey had been commissioned and the response rate from councils currently stood at 75%. He advised that super-fast broadband delivery was on track to achieve its target. 91% coverage across the country had been achieved and 95% coverage was set to be achieved by 2017. The report suggested councils were broadly satisfied with delivery. However, respondents reported that mobile infrastructure had failed and 70% were dissatisfied with the rate at which delivery partners were engaged. Councils were looking to develop their own relationships with local networks. Since the	

board last met, the government had established the universal service obligation. He advised that the LGA would be responding to that consultation.

Chris Townsend, Chief Executive Officer of Broadband Delivery UK, updated the board on the BDUK project. The project had set objectives to achieve 90% coverage of the UK by May 2016 and 95% coverage by December 2017. 3.5 million premises had been delivered with broadband to date and 4.2 million premises were on track to be delivered with broadband by May.

BDUK had now started phase 2. They currently spent 50% of time working with BT. In April 2014, the project had introduced seven market test programmes of different technologies and funding models and would publish their findings at the end of January.

He advised the board that smaller suppliers demonstrated they could win open procurement plan networks and design and build networks, as well as providing service customers with value.

Market capability was improving and BT were now delivering 30,000 to 40,000 premises with super-fast broadband a week. Small suppliers had delivered 20,000 in three years and BDUK were working hard with them to increase this. In rural areas of Northumberland and Hampshire, small fibre networks issuing superfast speeds had been set up using telegraph poles, which avoided the need to build trenches and was very cost effective.

Whilst negotiations with the European Union on state aid clearance for the broadband scheme were still ongoing, BDUK were optimistic this would be secured by April. In addition, the universal service obligation would provide a solution to households achieving less than ten megabits and the board would be kept updated on its progress.

He advised the board that BDUK would ensure BT delivered against contractual commitments. BT had confirmed that they would pay a gain share of £129 million in 2016 if the take up of superfast broadband increased. If the take up increased again by 30%-40%, BT would pay another £129 million. In addition, the estimated underspend was currently £250 to £300 million. The underspend and gain share would be mapped out and put back into the project to enable the project to increase coverage.

He assured the board that a report would be published by the end of January and that it would be shared with board members. He welcomed council engagement thus far, highlighting it as critical to the success of the scheme and asked that local authorities continue working with them to provide premises with information.

Board members raised the following points in the discussion that followed:

- Members asked about the criteria to qualify for the superfast broadband upgrade schemes and highlighted the importance of BDUK working with local authorities to ensure information was provided to the public. It was agreed the postcode checker on

BDUK's website would be sent to members.

- The experience in households in rural areas did not equate with the claim that 90-95% coverage had been achieved. The board was informed that if a premise was far from a cabinet they would not receive superfast speeds as they were not in a target area. It was suggested that a solution might be to put a secondary cabinet in remote areas.
- It was not clear which premises were due to receive help as BT would not release the postcodes. Members were advised that BT would release these soon. They were assured that the project was finding ways to cover the last 5% of premises (1.5million).
- Members asked what the ability of smaller providers would be to deal with disasters (such as flooding). The board was reassured that BDUK had confidence in the smaller companies to act fast in these situations.
- With reference to a specific example on the Welsh borders, there was a discussion on the issue of the challenges of cross board collaboration. As many people in this area lived more than 1.2 kilometre from fibre cabinets, this presented problems when more government departments required more documents to be completed online.
- Members questioned the opportunity for underspend from the SBP to be reallocated to the Mobile Infrastructure Project (MIP) and welcomed the opportunity to discuss MIP in more detail with officials going forward. Suggestions included, Group Leaders coordinating local intelligence from Board members and hosting a conference in the spring between council procurement officers, members and BDUK officials.
- With reference to the misperception amongst local residents that a good broadband connection could only be obtained through fibre optic, members discussed the range of innovative solutions available and emphasised the need to address the information gap.

Decisions

The People and Places Board:

1. **Noted** the emerging results of the survey and the latest coverage data
2. **Noted** the update Superfast Broadband Programme from BDUK; and
3. **Agreed** the next steps in taking forward the LGA's work on digital connectivity.

Actions

It was agreed that:

- A question and answer type document would be developed and circulated to board members on key issues raised during the broadband delivery UK project item. This would include details on

the Universal Service Commitment, satellite voucher scheme, a summary of assurances provided by BDUK officers at the meeting and a link to their online postcode checker on BDUK website to enable people to access the schemes.

- Member Services Officers would circulate the slides from the BDUK presentation to board members.
- LGA officers would liaise with BDUK to disseminate the government's phase 3 pilots final report when it was published in late January.
- LGA officers would draft a formal letter from the Chair of the Board to BDUK to push for the reallocation of any underspend on the Mobile Infrastructure Project, organise a conference with lead broadband suppliers and LGA lead officers in the spring to discuss new procurement processes, hear from alternative network providers and share best practice, and to lobby BDUK and the government's Digital Economy Unit to explore efforts to support councils to better stimulate demand in areas.
- LGA officers would engage the Mobile Network Operators to understand the mobile market and wider commercial development and explore ways both sectors could work together.
- LGA officers would explore media opportunities following the outcome of the meeting and report potential ideas back to the chair of the board in the week commencing the 25th January.
- BDUK would return and update the board in March or April 2016.

12 The Spending Review, Business Rates Retention and the Provisional Local Government Finance Settlement 2016/17 and Future Years

Nicola Morton (Head of Local Government Finance) reported on the Spending Review, Autumn Statement 2015 and the 2016/2017 Provisional Local Government Finance Settlement. She advised the board that this had involved a funding reduction of 24% in real terms for local government. She updated the board on the following points: the potential for councils to increase council tax by 2%, the consultation on the new homes bonus, the potential savings that could be moved to social care and the opportunity for councils to retain business rates.

Mark Lloyd, Chief Executive of the LGA, highlighted that although the Settlement was 'flat cash', this was based on assumptions on council tax bases and did not take into account cost pressures and would be particularly challenges in the first few years of the settlement. In addition, he emphasised that the LGA would ask whether government proposals to invest additional Better Care Fund monies could come into the process earlier. With regard to the option for councils to negotiate four year settlement, this would be contingent on councils submitting an efficiency plan; he assured board members that the LGA would be working on that.

Board members raised the following points in the discussion which

followed:

- There would be an implication on housing and planning (section 151) with some council officers saying this would lead to at least a 30% cut whilst the need to provide the living wage to employees would also affect finances.
- The government's right to vary the four year settlement was discussed and consequently the problems with making an efficiency plan under these circumstances. At the same time, there was a discussion on the potential financial loss that would result from not producing an efficiency plan.
- The potential 2% increase in council tax was discussed and how that would be spent. With financial pressures coming in with the Autism Act, cuts in the Better Care Fund, overspends on adult social care in combination with efficiency savings, members agreed that 2% would have a limited impact. There was concern that other services would need to be cut if a council could not fund priority services. There was a strong feeling that the flexibilities to raise council tax offered to those district councils whose council tax is currently in the lowest quartile should be extended to all districts. Board members were assured that the LGA would be asking how councils could square the circle until the better care fund came in in four years' time. The LGA would ask if it was possible to bring this fund in earlier.
- The LGA's response to the financial settlement was discussed, with several members expressing the view that that the overall tone and substance of the submission did not reflect the reality for many councils. Members highlighted the challenging timescale for councils to set a budget, with the settlement announced the week before Christmas and emphasised the importance to continue lobby for more sustainable funding.
- There was a discussion on the new homes bonus and it was emphasised that there needed to be a robust analysis of how the better care fund had been used.
- With reference to financial pressures specific to rural authorities, board members recommended that the LGA undertake work on distribution under 100% Business Rate Retention, with a view to taking a position on a sector wide equitable funding methodology.

Decisions:

The People and Places Board:

1. **Noted** the report;
2. Asked that their comments inform the LGA's finance policy work; and
3. That they recommended that work on distribution under 100% Business Rate Retention be undertaken, with a view to taking a position on a sector wide equitable funding methodology

Action

It was agreed that:

Work would be undertaken following the board's recommendation on Business Rate Retention and it would then be distributed to the LGA's Political Group Leaders (Vice-Chairs of the Association), with a view to taking a position on a sector wide equitable funding methodology.

LGA officers would continue to brief MPs and Peers as the Finance Settlement was debated in January and February 2016.

The board then moved into the confidential session.

13 Devolution within England

Rebecca Cox, Principal Policy Adviser, introduced the report on the progress of the Cities and Local Government Devolution Bill through Parliament. She advised the board that they expected the bill to be granted royal assent within the next two weeks.

Ian Hughes, Head of Programmes, advised the board that there was concern from the Executive Committee on blockages to devolution, particularly with regard to certain Government Departments and some backbench MPs who were unconvinced by the need for devolution. There had been some issues around governance and he advised that those that wanted deals as significant powers, such as Manchester, would be required to have a Metro Mayor. Academics had been commissioned to look at models for alternative mayoral governance models. So far, only Cornwall had a devolution deal without an elected mayor and more pressure needed to be put on ministers.

Andrew Campbell, Associate Director, advised the board that by September 2015 thirty-four bids had been received and eight agreements had been reached. In only four cases had there been no further engagement from government. There was some pressure on some two tiered areas to have a mayor. He expressed cautious optimism that there would be further deals signed by the end of January or February 2016.

In the discussion that followed members raised the following points:

- With reference to the number of completed bid applications, disappointment was expressed at the delay since submission and members expressed concern that the government might say the rules had changed during this period. In addition, it was felt there needed to be recognition from government that there would be different types of deals.
- With reference to examples from within their localities, members discussed the difficulties of cross boundary and cross party collaborations, including: changes to leadership; length of discussions; level of engagement from MPs and their level of understanding.

- There was concern that the debate was now focused on the form of local government rather than its function. Some authorities had been told by MPs that their areas were not big enough for a devolution deal. However, it was equally felt that such intervention was counter to the principles of devolution.

Decisions

It was agreed that a letter would be written to the Secretary of State for Communities and Local Government expressing concern that there had been no deals in two tier areas outside of the city groups.

It was agreed that the LGA would start developing a programme of work to help give a clear steer on defining devolution and to further progress the public sector reform agenda.

Actions

It was agreed that:

A letter would be drafted to the Secretary of State.

A programme of work would be developed to help give a clear steer on defining devolution and to further progress the public sector reform agenda.

LGA officers would develop a prospectus spelling out the opportunities presented by devolution, which would be aimed at backbench MPs.

LGA officers would continue to examine ways in which Combined Authorities, Mayors and other areas with devolution deals could be supported within the LGA. The work would be steered by a working group with a representative from each of the groups in order to assess how the LGA develops to address these issues.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Mark Hawthorne MBE	Gloucestershire County Council
Vice-Chairman	Cllr Gillian Brown	Arun District Council
Deputy-chairman	Cllr Heather Kidd	Shropshire Council
	Cllr John Pollard	Cornwall Council
Members	Cllr Sarah Osborne	Lewes District Council
	Cllr Vince Maple	Medway Council
	Cllr Jennifer Mein	Lancashire County Council
	Cllr Philip Atkins	Staffordshire County Council
	Cllr Paul Diviani	East Devon District Council
	Cllr Kenneth Meeson	Solihull Metropolitan Borough Council
	Cllr Derek Bastiman	Scarborough Borough Council
	Cllr Roger Blaney	Newark & Sherwood District Council
	Cllr Mike Jones	Cheshire West and Chester Council
	Cllr Caitlin Bisknell	Derbyshire County Council
	Cllr Amanda Martin	Council of the Isles of Scilly
	Cllr Clive Woodbridge	Epsom and Ewell Borough Council
Cllr Chris Townsend	Mole Valley District Council	
Apologies	Cllr Alan Rhodes	Nottinghamshire County Council
	Cllr Andrew Bowles	Swale Borough Council
	Cllr Paul Carter CBE	Kent County Council
	Cllr Stan Collins	South Lakeland District Council
	Cllr Chris Hayward	Hertfordshire County Council
	Cllr John Osman	Somerset County Council