

Devo Next Policy Programme

Initial Submission to Local Recovery and English Devolution White Paper

August 2020

Purpose

This paper is a first submission from the West Midlands Devo Next programme, following the initial note we sent to officials in February. It provides a summary of our key proposals for inclusion in the Local Recovery and English Devolution White Paper. We have also included a more detailed list of specific powers as an appendix.

This is not a one-off submission and we see the white paper as part of a process of policy evolution. Building on the constructive engagement we have already had with MHCLG officials, we intend to continue this work to support an ongoing two-way dialogue with government as the white paper proposals are taken forward and we approach the autumn Spending Review. More detailed submissions and policy papers can be shared to support this engagement if helpful. We will also continue to work with the rest of the M9 group and support the shared framework we have developed.

It should be emphasised that this is a submission of the whole Combined Authority, developed through engagement between the member organisations and shared leadership and we intend to continue that approach in ongoing dialogue with government. This has informed our “double devolution” and “whole system” approach which calls for devolution which empowers local authorities and communities working in partnership with all delivery agencies.

However, recovery and a more prosperous regional economy cannot be brought about unless we have excellent, well-funded public services to enable people to access opportunities, live in high quality local places and enjoy improved health and wellbeing. Therefore, government must first lay solid foundations through providing sustainable and fair funding for local government.

The West Midlands: devolution has delivered

Devolution has worked to date in the West Midlands. Before the current crisis, we were the fastest-growing region outside London. Our economic output has increased by 25% over the past five years, and we had increased the number of people in work by nearly 20% before the pandemic. In 2018/19 we worked with partners to build over 14,000 new homes, a 21% increase on 2016/17. Our distinctive strengths, from world-leading automotive innovation, green technology to health and life sciences, are globally competitive and driven by our Local Industrial Strategy, the first to be agreed in the UK.

Building on our progress means rediscovering and recharging the devolution process – levelling up capacity for a sustainable recovery, levelling up delivery for economic recovery, and levelling up local control for community recovery. This submission is calling for a white paper that gives us the tools to do that job and unshackles the region from the constraints of centralisation so that we can maximise the benefits of the innovation and enterprise for which the region is rightly famous.

In taking on those powers we are happy to explore ways to improve our accountability to the people of the West Midlands and to empower local communities to have a greater say in our plans.

Levelling up: the opportunity of the white paper

This white paper provides a once-in-a-parliament opportunity to take forward the devolution agenda and lay the foundations for our joint work to level-up the country. It is an opportunity the government must not miss – a chance to be bold and to set out a game-changing approach.

Tackling regional imbalances in productivity and life chances are amongst the most important issues for the next five years, as this government has recognised. The Covid-19 emergency and its economic impact have given even greater urgency to this task. What we need is not just a plan for recovery to where we were before, but a vision to tackle the underlying causes of our regional inequality.

The UK is one of the most centralised nations in the world. International comparisons illustrate that countries with more dispersed decision making and stronger local leadership tend to have less inequality between their regions. Fixing centralisation is not just a matter of equalising government investment - it requires fundamental changes to how we are governed.

Local government's contribution to the Covid-19 response has been and continues to be critical, but the crisis has demonstrated the importance of local leadership and strong central-local relationships. If we are to create greater resilience in our economy and our public services, then our recovery needs to strengthen, finance, and empower local institutions.

The white paper should set out clearly the government's objectives for recovery and "levelling up" as the basis for a shared endeavour between central and local government and all the partners in our region who will deliver success. It must also recognise and explain the importance of devolution in achieving those outcomes.

Securing a successful recovery and ensuring a sustainable reduction in regional inequality will require a broad strategy that recognises the interdependence of our economy and public services. We need to build in inclusive growth and green growth to our plans and ensure that "levelling up" means providing more equal life chances across our places and communities, not just a boost to regional infrastructure investment.

Economic growth and enhanced productivity depend on a range of factors in addition to infrastructure. They are dependent on effective early years, education, skills and employment services, on the health and wellbeing of the population and on the nurturing and maintenance of good local places and strong communities.

The four Devo Next principles

The white paper should be based on four principles which we support as a West Midlands partnership:

Doing things at the right spatial level – sometimes referred to as "subsidiarity" - powers and funding must sit at the lowest appropriate and efficient level. They should also be allocated according to expertise and experience and build on what works. We want this to be an "**active subsidiarity**" – meaning that each level can be proactive in making its contribution rather than remaining strictly within a defined role passed down from above. This will involve "**double devolution**" - showing how powers and responsibilities can be passed down to local authorities – and "**triple devolution**" to empower neighbourhoods and communities, so that devolution can achieve a change in the culture of our system of governance, restore trust in democracy and include the whole community in decision making. It should also enable **cross-boundary devolution** to ensure that local authorities can pool budgets, resources, and

investment to drive change on a bi-lateral basis (as exemplified by extensive and successful co-working between the Black Country councils) and to collaborate with support from Mayoral Combined Authorities.

Systemic - a whole system approach that puts outcomes at the centre instead of a focus on specific institutions or organisations. It should promote a collaborative and porous relationship between central and local government, pooling information, resources, and people and drive a joint regional approach requiring collaboration between services and institutions, including local authorities, LEPs and the business community, universities, police, health and education.

Sustainability – with sustainable funding for both combined authorities and local authorities, and a focus on prevention and resilience in our public services and our economy.

Simplicity – there should be clarity of roles and responsibilities in the regional governance system, including strategic and delivery functions.

The four Devo Next asks and offers

1) Levelling Up Capacity for a Sustainable Recovery

To provide a credible and bold direction of change, the white paper needs to provide greater financial freedoms and flexibilities to local places. These need to include revenue funding as well as capital investment, including sustainable future funding for local authorities.

Local Authorities have demonstrated their crucial role during the coronavirus crisis and achieved critical results despite lack of powers and resources and access to necessary data. We must learn from this in setting out plans for devolution. In order to continue this role in recovery, they need substantial long-term funding settlements. In addition, a range of funding innovations for Local Authorities should be considered including reforms to Council Tax, flexibility on RTB and retention of 100% of proceeds, greater budget and borrowing flexibilities, and the introduction of new ways of raising local revenue.

To drive recovery more broadly, regions need greater fiscal freedoms. England has an extremely centralised system of public finance, with nearly all tax revenue and spending controlled by government. This needs to be addressed for regions to drive inclusive growth effectively.

We propose several steps that the government could take immediately in the white paper (see appendix), including the creation of ‘single pot’ investment funds. We also propose that government commits to a wider review of options for further fiscal devolution. Government should adopt in full the recommendations of the National Infrastructure Commission to provide places with the responsibilities and resources to deliver investment efficiently and strategically.

This would enable us to deliver long term investment plans, making progress on key challenges facing our communities and region.

Flexible and long-term funding: single pot investment funds

A single pot investment fund – devolved to the region for allocation and prioritisation and secure for the long term - is the most important step government could take to enable faster and more strategically targeted regional infrastructure investment. There must be common single pot rules, with maximum capital/revenue flexibility.

A single pot approach is needed because the current approach of bidding for a multitude of separate departmental funds, with different evaluation and monitoring systems, over different time spans undermines our ability to plan strategically and leverage further private investment.

The Wolverhampton Interchange exemplifies the problem – initially planned in 2007, it is due to complete in 2020. It required funding from multiple DfT streams with separate processes and has faced a myriad of barriers to progress: an overly complex public sector funding package, public bodies required to completely fund and deliver elements of the scheme before others could commence; multiple complex approval processes, e.g. to borrow against car park income; multiple assurances from different agencies on land contributions and private sector reluctance to invest due to uncertainty.

2) Levelling Up Delivery to Drive Economic Recovery

Devolution has accelerated and improved the delivery of HMG objectives by empowering local authorities and combined authorities who are closer to communities. The white paper needs to grant further powers to continue this progress. Devolved delivery arrangements for the short-term economic recovery need to become permanent if we are to drive the longer term levelling up of productivity.

We need stronger local control over public transport and highways (including further local rail devolution) in order to improve connectivity and reach our net zero targets. We need greater flexibility on planning and delivery for local authorities and combined authorities to create green and affordable housing that allows us to deliver faster and smarter on our net zero agenda. We need expanded powers over the whole skills system to tackle youth unemployment and support our globally competitive industrial sectors.

The white paper should also set out the proposed model for the UK Shared Prosperity Fund, including the purpose of funding, its distribution, timescale and local flexibilities. It should be allocated on the basis of both need and economic opportunity. The purposes to which the Fund can be put should be broadly defined and cover all matters with a bearing on “shared prosperity” and “levelling up”. Decisions on the fund should be devolved to local areas to align with local strategies and accountability through local democratic structures. There should be maximum flexibility to deploy funds through grants and loans, and to establish revolving funds. Both capital and revenue funding should be guaranteed for the long term (at least the same cycle as EU funds). The scale and delivery of funding needs to enable continuity in programmes currently based on EU funding and the white paper should make it clear what flexibilities on remaining funds will be granted during the transition.

Government should also signal in the white paper what additional funding mechanisms will be available to sustain regional recovery work in the short term.

The white paper needs to provide clarity and certainty on the future role of the LEPs. In the West Midlands we have always been clear that business must not only be consulted as

individual organisations but must be able to help drive the strategic direction of economic strategy, bringing to it an understanding of business challenges and opportunities and ideas for addressing them. We have benefitted from having some of the best performing LEPs in the country who have enabled effective business engagement and innovation and will want to retain these features in any future arrangements.

Where powers are expanded it needs to be clear what the respective roles are for Local Authorities, Combined Authorities, LEPs and other partners, through the agreement of Delivery and Accountability Frameworks for each devolved function in each local area. It is also critical that adequate, sustainable funding is available to deliver devolved functions, either through grant funding or flexibilities to raise local funding.

This would enable us to deliver on our shared levelling up agenda and lay the foundations for future success through an effective recovery strategy – closing the gap between regions through accelerated infrastructure investments and boosting human capital through technical and vocational education.

3) Levelling Up Local Control to Enable Community Recovery

Real devolution means both economic and social policy sitting at the lowest possible level – realising our key principle of subsidiarity. This means a range of devolution and double devolution to enable local leaders to adopt a systems approach to boosting productivity and tackling inequalities.

Effective public services are at the heart of improving wellbeing and increasing national productivity. We need a range of new powers for Local Authorities, Police and Crime Commissioners and Mayoral Combined Authorities to drive a sustainable community recovery, with Mayoral Combined Authorities adding value where there are opportunities for regional collaboration. These powers are key to building a fairer, greener, and healthier region – tackling homelessness, reaching net zero targets, reducing reoffending, and addressing health inequalities.

Local Communities have been at the forefront of the coronavirus response, and they should be at the centre of local recovery and devolution proposals. Options to further this agenda include: a new Neighbourhood Renewal programme delivered through local authorities; a review of regulations and new legislation to enable local authorities to work better with community groups and social enterprises (learning the lessons of the COVID-19 emergency); and a review and strengthening of measures in the Localism Act 2011.

This would enable us to deliver a wider recovery strategy for our communities and to build the foundations for stronger and more sustainable local government and public services in the years ahead, underpinning the productivity of the regional economy.

4) Levelling Up the Whole Country

We welcome the government's intention to spread devolution to the whole of England. To realise the benefits of devolution, the foundations of the chosen model must reflect the realities of the region.

Functional economic geographies rarely align with administrative boundaries and it is vital that any approach to rolling out devolution nationally does not block off collaboration. In the West Midlands we have benefitted greatly from working across the three LEPs which cover our functional economic area. Whatever pattern of areas government sets out for extending devolution across the country, such collaboration needs to be continued on an informal and perhaps formal basis, perhaps using the model of the 'summits' held between the Mayor of

London and councils in the South East or maintaining some features of the current non-constituent CA membership across boundaries.

It is inevitable that any new pattern of boundaries arising from this process will take time to implement and the priority for the next period will inevitably be COVID-19 recovery. Government must make provision for transitional arrangements to ensure that this does not disrupt ongoing delivery of economic strategies and recovery plans.

Pan-regional partnerships such as the Midlands Engine and Northern Powerhouse should continue to be informal bodies addressing matters best dealt with at a pan-regional level, such as inter-regional transport connections, global trade and investment and pan-regional supply chains. They should not be placed on a statutory footing.

If devolution is only delivered within a few departments then it will be undermined by centralising policies in others. Therefore, the white paper should also bring forward mechanisms to ensure a cross-government approach to devolution, with consistent support to local freedoms and flexibilities.

Finally, the white paper must outline steps to ensure a stronger central-local government relationship such as secondments and shared resources, information sharing and transparency, going further than the 'beyond Whitehall' agenda to create genuine partnership working. Trust needs to be built between local and central government, through actions and initiatives that deliver genuine freedoms from the constraints of a one-size-fits-all approach.

Appendix: Detailed list of White Paper Requirements

Levelling Up Capacity – Local Funding and Financial Devolution
<p>Summary</p> <p>Local Authorities need sustainable funding settlements to enable them to perform their crucial role in recovery. MCAs need certainty and flexibility over long-term funding through the simplification of existing funding streams, the devolution of centrally held revenues, and the expansion of local revenue raising powers. This can enable greater investments today by borrowing against future revenue streams, and the ability to develop long term investment and delivery plans aligned to regional priorities.</p>
<p>White Paper Requirements</p> <p>Specific new powers and flexibilities for local authorities</p> <ul style="list-style-type: none"> • A sustainable, long term and fair financial settlement for local authorities and urgent and substantial additional funding to meet the costs of the COVID-19 crisis and enable recovery in communities and services. • Reforms to the Council Tax: a wide-ranging modernisation within the context of “levelling up” and devolution and consistent with a fairer funding settlement • Housing – flexibility on RTB and retention of 100% of proceeds: local schemes for RTB including exemption in areas of high housing stress • Budget and borrowing flexibilities – multi-year funding and capital/revenue flexibilities <p>Broader financial devolution package</p> <ul style="list-style-type: none"> • Sustainable core revenue funding for the CA (moving away from membership fees) • A devolved, long term and flexible UKSPF to replace EU structural funding. Should be: <ul style="list-style-type: none"> ○ broadly defined and cover all matters with a bearing on “levelling up” ○ devolved to local areas in terms of decision making, aligned to local strategies and accountable through local democratic structures. ○ maximum flexibility to deploy funds through grants and loans, and to establish revolving funds. ○ guaranteed for the long term (at least the same cycle as EU funds). • Creation of a single pot investment fund aligned to regional economic strategies, beginning with an expansion of the TCF (more details on this will be provided) • A sustainable and long-term settlement on local business rates retention • Granting the power to raise a business rate supplement in the future (original Mayoral model in the Local Government Finance Bill) – though we acknowledge that now is not the appropriate time to use such a power and that there will also be a wider review of business rates • Greater borrowing powers (power to issue municipal bonds, greater options for tax increment financing, powers to raise commercial finance to support local clean infrastructure investment) • Mandate retention of uplift in rail franchise value as a result of capital investments (PRIMUS model) • Devolve Bus Service Operator Grant and COVID-19 Bus Services Support Grant directly to MCAs, as well as the flexibility to revise and reinvest statutory schemes such as ENCTS and its payment arrangements to operators • Local retention of revenue generated from transport enforcement would support not only the ticketing function but create funding for road safety initiatives (including cycling promotion), support activity to improve traffic management, and enforcement to deny organised criminals use of the road network. Local retention and flexibility on

other local enforcement powers at local authority and police service level should also be explored, with a view to investing the proceeds back into local neighbourhoods.

In addition, the white paper should commit government to an immediate further review of financial freedoms and fiscal devolution covering:

- **Revenue raising powers** (e.g. exploring the benefits of a tourist tax and land value capture)
- **Local retention of share of existing taxes** (targeted at investment to enhance regional growth e.g. Energy market levies, Air Passenger Duty, Vehicle Excise Duty, Energy Company Obligation, Stamp Duty, VAT)
- **Flexibilities** (TIF and future of EZs – expanding the ability to raise TIF in the context of business rates retention and review and ensuring that we can continue to identify key economic areas for re-investment of retained taxes into the longer term, such as city centres and UK Central; Regulatory powers for local authorities – additional financial powers in relation to place management, fees and charges; and “Nudge” powers to incentivise public health, local sales taxes, incentives and rewards)

The white paper must also indicate the implications for devolution and levelling up of other policy developments including:

- Review of business rates – setting parameters for planned review in relation to raising money for local investment and sustainability of local services. Should include a commitment to look at a land value tax as an alternative to business rates.
- Social Care and Health – specifying how the government’s plans for reform will impact on the devolution and levelling up agenda and the integration of local services.
- Whole place budgeting – white paper should refer to the intention to pilot at least a partial model of whole place budgeting within the upcoming Spending Review – showing the funding that each MCA area will receive across government and joined up investment plans.
- Green Book Reform - the white paper should indicate how government intends to move quickly to streamline the green book and other processes, for example enabling schemes to be approved based on a wider set of social and economic criteria, e.g. to recognise the importance of modal shift and wider economic benefits in transport funding and to support zero carbon and housing needs policies.

‘Beyond Whitehall’

- Greater use of central government secondments to local government
- Greater number of shared teams and resources (e.g. digital/commercial expertise) between central and local government
- Permanent movement of central govt staff to LAs/MCAs to reflect their broader and empowered role

Clarity on the whole system of metropolitan government

- Establish a legal framework for the respective roles of local agencies within the whole system
- Establish a delivery and accountability framework setting out the roles of the different agencies when a function is devolved to a region

Levelling Up Delivery – Economic Recovery
Summary
<p>We need an effective institutional landscape around economic development in order to establish a clear relationship between democratically elected leaders, single economic strategies, and economic development activities including major capital investments and business support. This will enable us to deliver a clear economic strategy and recovery plan for the region, linked to national objectives on “levelling up”, and building in zero carbon and inclusive growth objectives. This will improve outcomes across our economic and social objectives, including more and better-quality jobs, faster carbon reduction, improved skills, higher wages, improved opportunities for disadvantaged places and communities, and higher productivity.</p>
White Paper Requirements
<ul style="list-style-type: none"> • MCAs should have the lead role in economic recovery, and responsibility for producing and co-ordinating the implementation of regional economic strategies. The delivery architecture for these strategies will be for localities to define, based on our principles of double devolution and partnership. • This should be backed up by a range of significantly enhanced powers on transport, employment and skills, housing and land, energy and environment (set out below). • LEPs and the private sector should have a clear voice and role in economic recovery. Clarity should be provided on the future role of LEPs. • The white paper should set out the government’s approach to the transition period between current and new boundaries, where these are changed. • The white paper should support informal collaboration across the boundaries of combined authorities. Functional economic geographies rarely align with administrative boundaries and it is vital that any approach to rolling out devolution nationally does not block off collaboration. • Powers and funding should be provided to deliver an expanded and consistent business support and innovation service across CA areas, building on what is in place in the growth hubs and continuing to provide a locally tailored approach. • Pan-regional organisations (such as the Midlands Engine) should continue to operate as collaborative partnerships, focussing on pan-regional transport connectivity and investment & trade promotion. They should not be placed on a statutory footing.

Levelling Up Delivery - Transport
Summary
<p>We need long term sustainable funding to support the operation and development of the West Midlands transport system. The impact of Covid-19 threatens urban integrated transport systems by dissolving their financial model, just when they are needed more than ever to help us build back a safer, cleaner and smarter transport network that attracts passengers and helps us to tackle the climate emergency.</p> <p>We also need enhanced powers and local responsibility for the development, management and operation of our transport system. This would enhance the speed of our COVID recovery but also allow us to deliver faster and smarter on our net zero agenda and provide the connectivity that underpins inclusive economic growth we are committed to deliver.</p>
White Paper Requirements

Enabling evidence led local agreements to enhance the existing highway concurrent powers in order to improve the regional management and operation of the Key Route Network (KRN) and associated local network:

- Subject to locally determined evidence-based agreements, MCA’s should have access to powers, functions and duties equivalent to Transport for London, as outlined in the published plan ‘*Gear Change: A bold vision for cycling and walking*’.
- Other areas of enhanced powers could include management and operational responsibilities for KRN’s only, and would also include, subject to national legislation changes, the civil enforcement of Moving Traffic Contraventions and Pavement Parking on the KRN, with revenues raised and retained at the CA and/or local authority level
- The adoption of any revised highways powers for the WMCA would be subject to further review and development of a locally agreed strategic case for change.

Greater control of bus and rail networks, including:

- Temporarily placing all bus services in receipt of public subsidy under a service contract which would last up to the point where each service recovered to a level whereby it was not in receipt of such funding (this being seen as a return to commercial service levels). This would be backed by a region wide Enhanced Partnership scheme.
- Traffic Commissioner powers awarded to WMCA to manage and approve bus service registrations during the Covid-19 recovery period.
- Further local rail devolution (including the initial Co-Commissioning of specification, procurement and management of services - leading to a long-term devolved solution – subject to WMRE member agreement) building on the clear successes of London Overground, Mersey Rail etc.

Power to streamline Transport and Works Act Orders for a simpler and speedier process i.e. reinstating the ability to apply for a TWA Order without committed funding (reducing timescales from funding approval to delivery) and local determination for systems such as the deployment of Very Light Rail technology and future innovations.

Greater flexibility to deliver innovation on our local networks using Traffic Regulation Orders (TRO/TTRO’s), in order to deliver our Industrial Strategy and net zero carbon ambitions. This could be delivered within a special innovation zone sandbox environment as a strengthening of the UK pathfinder for future transport in which the West Midlands is already advanced.

Levelling Up Delivery – Housing & Land	
Summary	We need genuine new powers and funding over different aspects of housing & regeneration policy so we can ensure delivery on the ground. This will be complementary to local council planning policy and we need ability to quickly establish local delivery vehicles to unlock the most challenging brownfield sites and give private sector the confidence to invest and take risks. This will allow us to deliver more new homes, delivered faster; more affordable housing to meet diverse needs; higher quality housing and accelerated carbon reduction; improved labour mobility and reduced skills shortages.
White Paper Requirements	<ul style="list-style-type: none"> • Creating a single disposal regime for all public sector land and property assets in the West Midlands, including all the HMG estate, under the authority of a new empowered land and property board – building on the One Public Estate initiative

- Ability to fast track the creation of local delivery vehicles and development corporations for major regeneration and housing projects
- Removal of permitted development rights in defined locations e.g. town centres, to facilitate regeneration and economic recovery (i.e. Article 4 Directions+)
- Local ability to determine Local Housing Allowance levels (in a financially sustainable way, recognising differences between places)
- Local design of Right to Buy (including setting the discount and recycling of funds)
- Local control of affordable housing policy
- Enhanced devolution of planning application fees
- Expand Compulsory Purchase Order powers for LAs and MCAs to enable land assembly without the need for a fully worked up scheme
- NPPF to be brought up to date to meet carbon neutrality in 2050 and to better reflect the climate change agenda
- A review of the Duty to Cooperate to streamline the process.

Levelling Up Delivery – Employment and Skills
Summary
We need full budgetary and policy responsibility for the further education and skills ecosystem encompassing all post 16 technical education. We need the authority and the flexibility to pilot place-based approaches to capacity and curriculum planning working closely with the SAP. This would include the reconfiguration of the provider landscape with greater specialisation, in order to build a world-class technical education system. This will enable us to create an agile and responsive skills system to improve the supply of higher level, high growth skills, leading to higher employment, particularly for disadvantaged places and communities.
White Paper Requirements
<ul style="list-style-type: none"> • Responsibility for Careers Service, for both adults and young people • Responsibility for 16-18 technical provision, traineeships, and T - levels • Responsibility for Apprenticeship employer grants, and co-commissioning of apprenticeship capacity with National Apprenticeship Service, aligned to regional need • Co-commissioning with DWP for employment support programmes (including future Work and Health Programme successors) against our agreed regional Employment Support Framework • Devolution of UK Shared Prosperity Funding for employment and skills • Creation of Joint Employment Support Plan with DWP

Levelling Up Delivery – Energy and Environment
Summary
A devolved approach to energy investment and management will be essential to power the new, green and flexible economy of the future. Achieving zero carbon will require regions with the capacity to act to ensure that the whole of the country achieves the transition in a sustainable and equitable way.
White Paper Requirements
<ul style="list-style-type: none"> • A statutory role for the CA in the energy system including role as strategic customer alongside Ofgem for distribution planning and delivery • Devolution of energy market levies from retail energy companies and Ofgem to the CA • Powers to raise commercial finance to support local clean infrastructure investment (Green Investment Bank model)

- Powers to establish and deliver an energy infrastructure investment fund
- Duty to draw up and deliver zero carbon plans in collaboration with local authority plans
- Functions in delivering strategic infrastructure programmes within zero carbon plans, such as regional level electric charging infrastructure, retrofitting and support to autonomous vehicles
- Power to set higher standards for the energy performance of buildings

Levelling Up Local Control

Summary

We need a range of new powers for Local Authorities and Mayoral Combined Authorities to drive a sustainable community recovery. This will enable us to build a fairer and healthier region – tackling homelessness, reducing reoffending, reducing health inequalities and empowering communities.

White Paper Requirements

Homelessness

- Local powers to develop LHA+ approach in order to open a greater range of private rented stock to those most vulnerable
- Make provision to extend the Housing First approach and work proactively with landlords and tenants to prevent evictions

Criminal Justice - crime prevention and whole system approaches

- **Youth Justice:** LA's, CA and the PCC will work with government to establish the devolution of youth justice powers to put in place a single, integrated service for vulnerable young people, youth custody and a framework for safeguarding older children.
- **Vulnerable women:** LA's, CA and the PCC will work with government to develop a whole system approach for vulnerable women including women's centres, liaison and diversion, out of court disposals, problem solving courts and custody.
- **Probation:** The West Midlands PCC will work collaboratively with the regional PCC's (Warwickshire, West Mercia and Staffordshire) and HMPPS to explore opportunities for co-commissioning the governance, design and oversight of services for offenders.
- **Problem solving approaches:** LA's, CA and the PCC will work with government to develop problem solving approaches to prevent and reduce offending, including problem solving courts and widening the use of out of court disposals.
- Support for the region to ensure accountability in upholding the new public health duty to prevent and reduce violence through collaboration and partnership working led by the Violence Reduction Unit.

Welfare to work

- Co-design of the DWP Work and Health Programme to build on Thrive IPS approach
- Welfare 'earn back' whereby savings made through effective approaches remain within the region

Health and Care

- Ensuring Local Authorities have sufficient powers to improve public health and reduce health inequalities, with Mayoral Combined Authorities providing support where they can add value

Empowering communities

- A review of regulations and new legislation to enable local authorities to work better with community groups and social enterprises.
- A review of measures in the Localism Act 2011 – and new legislation to make them more effective.

Empowering local authorities and communities

Summary

This section brings together in one place the proposals we are making to deliver double and triple devolution.

White Paper Requirements

Clarity on the whole system of metropolitan government

- Establish a legal framework for the respective roles of local agencies within the whole system
- Establish a Delivery and Accountability Framework setting out the roles of the different agencies when a function is devolved to a region

Specific new powers and flexibilities for local authorities

- **A sustainable, long term and fair financial settlement for local authorities and urgent and substantial additional funding to meet the costs of the COVID-19 crisis and enable recovery in communities and services.**
- Reforms to the Council Tax: a wide-ranging modernisation within the context of “levelling up” and devolution and consistent with a fairer funding settlement
- Housing – flexibility on RTB and retention of 100% of proceeds: local schemes for RTB including exemption in areas of high housing stress
- Budget and borrowing flexibilities – multi-year funding and capital/revenue flexibilities

An immediate review of wider financial freedoms and fiscal devolution, including:

- Revenue raising powers (e.g. exploring the benefits of a tourist tax and land value capture)
- Regulatory powers for local authorities – additional financial powers in relation to place management, fees and charges; and “Nudge” powers to incentivise public health, local sales taxes, incentives and rewards.
- Other policy developments – review of business rates and reform of social care and health – white paper to indicate how these will impact on devolution and sustainability of local services.

Levelling up local control

As part of the whole local system of public services, local authorities should be given clearer powers in key service areas such as homelessness, criminal justice, welfare to work and health and wellbeing.

Empowering communities

- A review of regulations and new legislation to enable local authorities to work better with community groups and social enterprises.
- A review of measures in the Localism Act 2011 – and new legislation to make them more effective.

