

REPORT

ENGLAND'S NEW LEADERS

HOW MAYORS CAN TRANSFORM THEIR CITIES



Luke Raikes

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Institute for Public Policy Research

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SUMMARY

60 SECOND SUMMARY

England will soon welcome prominent and powerful city leaders. Six mayors will be elected to govern almost 10 million people and economies worth £214 billion – more than Scotland and Wales put together.

If the powers they hold are used effectively, these mayors could start to transform their city regions, but there has been little policy development for this purpose. This paper aims to fill the gap.

First, this paper sets out the three ‘enabling policies’ that mayors need to introduce: cutting across local and national silos to deliver against clear objectives, raising finance to invest, and gathering intelligence in order to enable innovation.

This paper then sets out a ‘menu’ of 30 things that these mayors could do to change their city regions for the better. These 30 policy ideas are set out across five broad outcomes, as described below.

Mayors should deliver:

- **inclusive growth** – by using transport policy to prioritise poor neighbourhoods, using mayoral development corporations to provide quality jobs for local people, and championing the living wage and higher employment standards
- **infrastructure, including planning, transport and housing** – by integrating land use planning and working with central government to roll out financial innovations and housing investment
- **a healthy environment** – by embedding health in all public policy, introducing a clean air charter, and setting up an energy company
- **effective public services** – by setting up a new company to pilot ‘invest-to-save’ in employment support, collaborating with districts to end homelessness, and improving the quality of housing by investing in a social lettings agency and rolling out landlord licensing
- **inclusive democracy** – by empowering citizens and councillors to take part in collaborative governance, and enhancing local enterprise partnerships to include anchor institutions, and requiring new members to pay the living wage.

Finally, this paper sets out a range of things which government will need to do for the potential of mayors to be truly realised.

RECOMMENDATIONS TO MAYORS

This report proposes 30 policies that mayors can roll out to transform their city regions (see the table below).

Five of these should be regarded as top priority.

- Become living wage champions, and set out a mayor's employer charter on job quality (2).
- Set up a welfare earnback company to secure 'job guarantees' for the long-term unemployed (19).
- Implement bus franchising (8).
- Embed health in all policy (14).
- Spend a small share of their funds through participatory budgeting (29).

Finally, mayors should work together to drive further devolution, and by 2020 the government should strike a new series of devolution deals, prioritising fiscal devolution, and giving mayoral combined authorities across the country the powers to support their industrial strategy and public service reform.

TABLE A.1

Summary of this report's recommendations and their outcomes; primary outcomes are highlighted in purple

		Inclusive growth	Infrastructure: planning, transport & housing	A healthy environment	Effective public services	Inclusive democracy
1	Use mayoral development corporations to drive inclusive growth in designated development zones	✓	✓	✓	✓	
2	Become living wage champions, and set out a mayor's employer charter on job quality	✓				
3	Connect poor neighbourhoods with job growth	✓	✓			
4	Provide cheap transport for target groups	✓				
5	Prioritise international profile and connectivity, and collaborate to drive trade and investment	✓	✓			
6	Co-ordinate and integrate industrial strategy	✓	✓			
7	Invest in a careers company, and take forward course-finding platforms in further education	✓			✓	
8	Implement bus franchising	✓	✓	✓		
9	Integrate planning, housing and transport		✓			
10	Strike a housing investment deal with central government		✓			
11	Set out an infrastructure pipeline and co-ordinate investment across regions	✓	✓			
12	Expand the use and scope of earn back and gain share and pilot invest-to-save models in other public services	✓	✓		✓	
13	Roll out 'total transport' – integrated transport across the whole public sector		✓		✓	

	Inclusive growth	Infrastructure: planning, transport & housing	A healthy environment	Effective public services	Inclusive democracy
14 Embed health in all policy		✓	✓	✓	
15 Set out a clean air charter and embed behaviour changes in public transport and active travel		✓	✓	✓	✓
16 Roll out clean air zones		✓	✓		
17 Encourage commercial car share schemes and electric vehicle uptake			✓		
18 Establish a city-region energy company	✓	✓	✓	✓	
19 Set up a welfare earnback company to secure job guarantees for the long-term unemployed	✓			✓	
20 Roll out a city 'challenge' across early-years, education and training	✓			✓	
21 Facilitate health and social care integration and work to change the model of delivery in social care			✓	✓	
22 Accelerate health innovation			✓	✓	
23 Work collaboratively to end homelessness	✓	✓		✓	
24 Provide bond guarantees, and take a 'housing first' approach to temporary accommodation	✓	✓		✓	
25 Co-ordinate landlord licensing	✓	✓		✓	
26 Set up a social lettings agency	✓	✓		✓	
27 Support independent city-region scrutiny committees for key policy areas					✓
28 Set up a citizens forum to provide input on specific areas					✓
29 Spend a small share of their mayoral funds through participatory budgeting	✓				✓
30 Reform their LEP to include anchor institutions, alongside representatives from small businesses and employees	✓				✓
31 Collaborate with mayors across their region and the country in order to push for further devolution and share best practice	✓	✓	✓	✓	✓

INTRODUCTION

Six of England's major cities will soon be under new leadership.¹ From May 2017, citizens in Greater Manchester, Liverpool city region, Tees Valley, the West Midlands, the West of England, and Cambridgeshire and Peterborough will all elect mayors for the first time. These new mayors will then govern a population of 9.5 million in total. This is a significant change to democratic representation in England.

If their powers are used effectively, these mayors could transform their cities. They could greatly improve the everyday lives of their citizens: the quality of the air they breathe, the efficiency of the public services they use, and the jobs and prospects of families and children. With the disruption brought about by the UK's decision to leave the EU, their election could present a welcome opportunity for democratic empowerment and progressive change.

These new mayors won't be able to deliver this change immediately, and they cannot act alone. In order to deliver on their democratic mandate, they will need to use hard and soft power to convene local stakeholders and tackle challenges collaboratively. The powers they will have are a mix of direct control (over bus franchising, for example), joint ownership with their leaders' cabinet (over skills and transport more generally), and influence (over health and social care where there is some delegation of power in those areas).

However, there has so far been little policy development for this purpose in the UK. The major cities have long championed devolution, based on the idea that they are better positioned to drive economic growth, social inclusion and environmental sustainability. They will now have to demonstrate that they can do so.

This paper sets out to fill this gap in policymaking. First, it sets out the three things mayors need to do to enable them to deliver.

Then it puts forward 30 policies they could roll out, across the five overarching outcomes they should try to achieve. These outcomes bring together the major challenges these cities are facing with the powers that mayors will have to effect change.

The five outcomes are:

- inclusive growth
- effective public services
- a healthy environment
- inclusive democracy
- infrastructure (planning, transport and housing).

Finally, this paper sets out how these mayors should work together to push for more devolution, and the range of things that government should consider devolving to them.

¹ This report uses the term 'city' and 'city region' interchangeably, noting that not all of the regions covered are technically cities, but that they can be described as city regions.

ENABLING AND DELIVERING TRANSFORMATION

Before implementing any of the 30 policy proposals below, mayors will need to put in place a number of enabling measures to ensure that they can work effectively.

A. SET OUT DELIVERABLE OUTCOMES, AND FORM TEAMS TO CUT ACROSS CENTRAL AND LOCAL SILOS

Mayors should set out the broad outcomes they want to achieve.

They should work with their combined authority leaders and chief executives to set up multi-disciplinary teams, based on the outcomes which cut across traditional departments and silos of local and central government.

They should embed a culture of integration with a series of secondments from local and central governments and their agencies.

In many areas there are portfolio-holders and strategies already in place, and the mayor will need to work with these portfolio-holders in order to deliver what their mandate demands. They should work collaboratively with other democratically elected leaders, but should add their own priorities where this isn't the case.

This kind of integration is both the prize and the premise of devolution: to break down the silos of central government, to recalibrate the client-state relationship, and to deliver a quality of life to citizens based around outcomes, instead of focussing purely on service delivery. The single funding pot will help them to overcome these silos, and some areas have already moved towards a single outcomes framework.²

B. UNLOCK NEW SOURCES OF FINANCE

Although many mayoral powers can be exercised in relation to existing funding streams, there will be some interventions for which mayors might need additional funding. In such cases, they should have an open and honest conversation with their electorates about the benefits of raising revenue to invest in a more prosperous and inclusive city region.

Their current options include the following.

- **Business rate supplement**

This enables mayors to charge 2p on local business rates, providing it is earmarked for transport infrastructure and has the sign-off of the local enterprise partnership (LEP) business members. Estimates have not yet been made public, but this is expected to raise a significant sum.

² For further details, including full references and the evidence base for this report, please refer to Raikes L (2017) *England's new leaders: Evidence base*, IPPR North. <http://www.ippr.org/publications/englands-new-leaders-how-mayors-can-transform-their-cities>

- **Charges on emissions and congestion**
Road user charging – such as congestion and emissions charges – is extremely effective in reducing unnecessary car use and raising finance for investment. In London, for example, it raised £168.3 million in 2015/16.
- **Workplace parking levy**
This enables a local authority to charge employers based on the number of parking spaces they provide for their employees, incentivising public transport use and providing an income stream for investment. This has been rolled out in Nottingham to great success, earning the city council £9.3 million in 2015/16.
- **Financial innovations**
Earnback and gain share have enabled investment in many cities already, by rewarding local government for their investment every five years. For example, the earnback deal for the extension of Metrolink into Trafford Park in Greater Manchester unlocked £350 million.
- **Council tax precept**
Mayors will have the power to levy an additional 2 per cent on council tax (this is in addition to the precept some already have to fund the police commissioner role). In London, the mayoral precept was set to bring in £774 million in 2016/17.
- **Borrowing and private investment**
Using the above revenue streams and other sources, mayors will be able to borrow to fund upfront investment. They will also be able to attract finance from the private sector, but clearly only if investors are confident of a return.

If mayors want to transform their cities, they will need to use all the resources currently available to them, and then push for more from central government (see the final chapter of this report). Some of these revenue streams will be hypothecated, while others could be spent more generally. Some of them will require working with a constituent district to implement.³

C. SET UP A RESEARCH AND INNOVATION BOARD, AND PRIORITISE OPEN DATA

Mayors should convene a research and innovation board made up of experts from inside the public sector, and other organisations such as universities, to pull together the data and research available about their city region across all policy areas, and to advise on the new intelligence that might need to be sought.

They should work with this board to outline a meaningful set of indicators to measure progress against the outcomes they want to achieve.

They should also have an open data strategy, publishing all non-sensitive data that they collect, and analysis that they undertake, so it can be used by the public and third parties.

³ See Raikes 2017.

Mayors will require data and intelligence from a range of sources in order to transform their cities for the better and enable policy innovation to take place. While some areas will already have agencies that do this, others may not.⁴



Having taken these first enabling steps, mayors could start to make real difference. This project will now set out a menu of 30 things these mayors could do. From this point onward, this report is structured around the outcomes discussed above. Each recommendation is placed against the primary outcome against which it delivers, but many deliver against more than one (as demonstrated in table A.1, in the summary of this report).

⁴ See Raikes 2017.

INCLUSIVE GROWTH

Inclusive growth is a top priority for local and central governments. Economic growth has become detached from social progress in many countries, but especially in the UK. This is as much a priority locally as it is nationally, where cities formerly in decline have sought to leverage in as much investment as possible to target inner-city decay and improve the attractiveness of their cities. Inclusive growth is a catch-all term for attempts to rectify this imbalance by, in the short term, distributing the gains of growth more evenly, through improving skills levels and transport connectivity and prioritising the generation of more high quality jobs. In the long term, however, it will require more fundamental change.⁵

Mayors should do the following.

1. USE MAYORAL DEVELOPMENT CORPORATIONS TO DRIVE INCLUSIVE GROWTH IN DESIGNATED DEVELOPMENT ZONES

Mayors should set up mayoral development corporations to focus investment from a range of sources in particular development zones, but need to ensure this is to the benefit of local people. They will need to work closely with the leaders of their constituent districts in order to do so.

In the first instance, they should co-ordinate the standard suite of economic development powers to attract businesses and enable physical regeneration: streamlined planning, new infrastructure, superfast broadband connectivity and compulsory purchase order measures. However, rather than cut business rates, mayors should borrow against this income stream to spend on supporting infrastructure, enabling upfront investment many times the value of annual business rate income. They could also use the additional income from the business rate supplement to unlock even more investment.

They could also use existing investment funds more strategically. Currently, it tends to be that the funds held at the combined authority level are ‘revolving’ and therefore are expected to turn a shorter-term profit, while district funds tend to have longer, more strategic time horizons. There is a clear advantage to co-ordinating this activity, or relaxing the requirement for short-term returns on investment when there is a clear strategic case for doing so.

Mayors could also work with the government to use these as a test bed for policies such as stamp duty retention, land value capture and other ‘betterment taxes’.

⁵ See Raikes 2017.

Perhaps most importantly, mayors should ensure that developments in these areas are as inclusive as possible, requiring all employers to meet certain standards, such as paying a living wage and recruiting young apprentices. They could also work with the district in a number of ways: to pool and prioritise section 106 and community infrastructure levy funds, or pre-apprenticeship training; to require the construction of housing for social rent and affordable housing; to implement landlord licensing on the housing developments; and to pilot ‘welfare earnback’, whereby the fiscal benefits of moving the long-term unemployed into work are captured (see recommendations 2, 19 and 25).

They could prioritise environmental and public health outcomes in these development zones, by requiring low carbon emissions, calling for employees to undertake carbon literacy, and working with employers and new landlords to embed public transport or active travel uptake among new employees or tenants.

This could also be governed inclusively; for example, by including employee or resident representatives in governance structures, or using a co-operative model for new housing developments.

Evidence

Mayoral development corporations present an opportunity for mayors to make a real and visible difference to inclusive growth, albeit on a small scale. Many cities have areas that need physical regeneration – sometimes these are contiguous, but they can also be clusters which could be grouped together into a single ‘zone’. Some of these measures could deter investment, and thus undermine the purpose of the corporation. However, mayors should seek to get the best deal for their citizens, and there is a range of evidence showing that regeneration requires a concerted effort in order to ensure social outcomes follow.⁶

2. BECOME LIVING WAGE CHAMPIONS, AND SET OUT A MAYOR’S EMPLOYER CHARTER ON JOB QUALITY

Mayors should push for their combined authority to pay the *real* living wage of £8.45 per hour to all directly employed staff,⁷ and require it of all those they commission services from, as well as for all tenants on land where the combined authority or its agencies has the freehold.

They should champion living wage accreditation in all interactions with the business community, requiring new LEP members to be living wage accredited (see recommendation 30), writing public letters to major local employers, advising businesses of the benefits via business support (Growth Hubs), and prioritising living wage jobs in brokerage activities

They should work collaboratively with their constituent local authorities and the whole public sector to align policies, and deliver a transformative change in the working conditions of their citizens.

6 See Raikes 2017; Snelling C and Davies B (2016) *Closer to home: Next steps in planning and devolution*. <http://www.ippr.org/publications/closer-to-home>

7 The real living wage of £8.45 (outside London) is based on the cost of living and is paid voluntarily by employers, as opposed to the government’s ‘national living wage’ which is not based on the cost of living, and is a legal minimum wage.

This should form a part of a broader mayor's employment charter on job quality. Employers who sign up would commit to a number of actions, which might include not hiring staff on exploitative zero-hours contracts, or relying on excessive use of agency workers; recruiting young apprentices or local people from deprived neighbourhoods; training and progressing their staff; having a 'flexible hiring' policy, in which all job vacancies are advertised as open to flexible or part-time working in order to help people (especially those who have had children) back into the labour market; or to cover a tenancy deposit for low-paid staff.

They should also set a city-region standard for ethical procurement that includes all of the above, as well as prioritising local procurement, and seek to embed this across the constituent local authorities and the wider public sector.

Mayors should also be public and vocal in exposing poor work practices in the above areas, and in the provision of poor quality apprenticeships as the apprenticeship levy is rolled out.

Evidence

Low pay and poor quality employment have become significant problems for the UK. Living wage policies are one way to change this, while employer charters and ethical procurement policies can go further still; there are a number of such policies in place across the country. While some of these interventions do cost in the short term, the evidence shows that higher retention and higher productivity follow over time.⁸

3. CONNECT POOR NEIGHBOURHOODS WITH JOB GROWTH

Mayors and their combined authorities should subsidise new bus routes into deprived areas with poor connectivity. Poor connectivity often means that economic growth in the centre of major cities doesn't benefit those on the outskirts.

In the short term, without a franchised bus market, mayors and their combined authorities should prioritise subsidised routes into deprived areas. They could also pilot 'Uber-style' platforms for dial-a-ride services to plug some of the gaps in the network.

Additional routes could be funded by the business rates supplement and council tax levy; or a long-term commercial case could be made for 'pump priming' demand (which the private sector is often reluctant to take a risk on).

Once bus franchising is in place (see recommendation 8), they would be able to use their powers to squeeze operator profit margins, package routes together and cross-subsidise.

Evidence

Transport is often a major obstacle toward driving inclusive economic growth, as connectivity – especially bus connectivity – is poor in many areas. Transport authorities already subsidise routes where there is market failure but, due to funding cuts, these subsidies have been

⁸ See Raikes 2017.

reduced in ways that have not necessarily been strategic. Mayors and their combined authorities will need to take a strategic view of these routes in order to spend current funding in line with the objectives of inclusive growth, and should also use some of the resources detailed in the opening section of this report, such as the business rate premium.⁹

4. PROVIDE CHEAP TRANSPORT FOR TARGET GROUPS

Mayors and their combined authorities should provide subsidised or free transport for specific groups, in order to improve their access to jobs or reduce their living costs. They could provide:

- **young people's passes**, for those aged 16–18 who must now be in education or training due to the raising of the participation age
- **young apprentice passes**, for those aged 16–18 who are often paid as little as £3.40 per hour
- **jobseeker passes**, for those who are actively engaged in seeking work (as some areas do already), or for those who are long-term sick, live on very low incomes, and also need to move around the city-region
- **carers and social care workers passes**, to help those who care for friends or relatives enjoy their city when they can, or as a perk for social care workers – a particularly important group of employees who are demonstrably underpaid (although this should not be seen in any way as compensating for low pay and is separate from considerations of travel time).

There are a number of options for meeting the costs these would incur: again, workplace parking levies, a council tax levy or road user charging could be used.

Mayors could set up a scheme whereby older people who are entitled to free travel voluntarily donate their bus pass to a city-region-wide pot, to which people could apply and be given a pass based on set criteria. Mayors would then need to work via colleges, jobcentres, employers and local authorities respectively in order to see this rolled out.

Evidence

The cost of transport can be very high, especially in unregulated bus markets, swallowing up a significant proportion of people's incomes. The target groups discussed above are known to be struggling, and targeted support of the sort described would be wholly justified.¹⁰

5. PRIORITISE INTERNATIONAL PROFILE AND CONNECTIVITY, AND COLLABORATE TO DRIVE TRADE AND INVESTMENT

Mayors should become international figureheads for their cities, and should work with other mayors and leaders across their region to reach the critical mass needed to attract investment.

They should especially prioritise relationships with the EU in order to maintain relationships during a difficult Brexit process, and should work with mayors across the world through the UN and the Organisation

9 See Raikes 2017, 2016a.

10 See Raikes 2017; Snelling and Davies 2016.

for Economic Co-operation and Development (OECD) to tackle shared challenges such as inclusive growth and air quality.

Mayors must also collaborate with their counterparts within the UK on trade missions and inward investment. Even the largest of these city regions, such as Greater Manchester and the West Midlands, will have a population of less than 3 million. In a world where not even London's 8.6 million qualifies the capital as a megacity, these will be too small to register with foreign governments such as China and India. As the world changes and new cities rise, it will be increasingly important to work across regions – such as the Northern Powerhouse and Midlands engine – to reach the mass required.

Evidence

International profile is a vital part of any mayor's job, and mayors across the world set out to champion their city region to inward investors. Outside London, our city regions currently lack a single figure to take on this role, sometimes instead nominating a leader to attend trade missions.¹¹

6. CO-ORDINATE AND INTEGRATE INDUSTRIAL STRATEGY

Mayors, working with their combined authorities and taking advice from their LEAs, should refresh their economic strategies to function as local industrial strategies, and line these up with national and pan-regional industrial strategies.

They should prioritise not only the sectors in which they have comparative advantage, but also those which are big employers and have roles which are accessible to those outside of the labour market, or that tend to be low-pay, low-productivity such as social care, retail and hospitality.

Groups of mayors should also come together to lead on the wider industrial strategies that should be put in place across regions, alongside representatives from areas without mayors – reflecting the geography of industries and supply chains.

They should then begin by rolling out a series of interventions in more 'horizontal' areas of policy – such as transport, careers advice, education and training – which are co-ordinated with pan-regional and national industrial strategies, as a basis for a deal with government.

Evidence

The government's recent green paper conceived of industrial strategy in a very broad sense, and is set out as 10 'pillars'. Mayors will have an important role in dovetailing their own interventions with those at a pan-regional and national tier of government to support inclusive growth across the country.¹²

¹¹ See Raikes 2017.

¹² See Cox E, Raikes L, Carella L (2016) *The state of the North 2016: Building northern resilience in an era of global uncertainty*, IPPR North. <http://www.ippr.org/publications/the-state-of-the-north-2016>

7. INVEST IN A CAREERS COMPANY, AND TAKE FORWARD COURSE-FINDING PLATFORMS IN FURTHER EDUCATION

Mayors, working with their combined authorities, should invest in a provider of careers advice and a broker of work experience opportunities and employer engagement, to be contracted by constituent schools.

This should provide high-quality labour market information, and co-ordinate advice with industrial strategy and new investments within the city region (for example, in mayoral development corporation areas).

They should prioritise the impartiality of that advice, and work to embed parity of esteem between academic and vocational routes.

Schools currently have a duty to secure this advice, and, if successful, the company would win and be paid for these contracts. However, more funding will be required to provide quality services, which could be sourced from local apprenticeship levy underspend if the government enables this (see the final chapter). This might also enable the company to expand its offer to new entrants to the labour market, and support in-work progression.

Mayors should set out the standard for careers advice and work experience across their city regions, and feature this in their league table.

Mayors should also seek to pilot the government's course-finding systems – similar to UCAS – in conjunction with the government's industrial strategy green paper. Given the importance of the local labour market, and the fact that there is far less mobility in technical education, mayors are ideally placed to drive this forward at a city-region level.

Evidence

Careers education, information, advice and guidance, and employer engagement such as work experience, are vital for the prospects of young people. However, current provision is patchy and often poorly delivered.¹³

¹³ See Raikes 2017; Dromey J and McNeil C (2017) *Skills 2030: Why the adult skills system is failing to build an economy that works for everyone*, IPPR. <http://www.ippr.org/publications/skills-2030-why-the-adult-skills-system-is-failing>; Dolphin T (2014) *Remember the young ones: Improving career opportunities for Britain's young people*, IPPR. <http://www.ippr.org/publications/remember-the-young-ones-improving-career-opportunities-for-britains-young-people>

INFRASTRUCTURE

PLANNING, TRANSPORT AND HOUSING

Mayors can play an important role in driving up investment and aligning this to a city-region strategy. The UK lacks a strategic approach to infrastructure nationally, regionally and locally. Central government holds the majority of power and revenue streams needed to invest, but has consistently failed to meet OECD targets for infrastructure investment overall, and has also failed to invest strategically across the country to drive balanced economic growth. Furthermore, this means investments are not integrated to strategies within functional geographies in the same way they are in other countries.¹⁴

Mayors should do as follows.

8. IMPLEMENT BUS FRANCHISING

Mayors should implement bus franchising as soon as possible to help them deliver a number of important objectives for their city region.

They should build the internal capacity they will need to deliver this, and collaborate with other city regions pursuing this path – with a series of secondments, for example, or shared legal functions.

They should begin the process required by the new legislation, setting out a business case for franchising in their city regions, and gathering all the intelligence they need from the bus companies in order to plan.

They should then set out a timeline for franchising, although this is likely to run into the next mayoral term.

They should ensure that tenders are competitive and accessible for smaller and not-for-profit operators.

They should also prioritise low-emission buses through the tendering process.

They may want to use the powers of enhanced partnership with bus operators in the short term, but only as a stepping stone towards franchising.

Evidence

The case for bus franchising is strong, and mayors should take this forward as quickly as possible. The UK is highly unusual among developed countries in that it abandons its bus networks to a free-for-all. It means that – outside London – buses compete on the street for passengers. In reality, however, there is actually little competition, and ‘spatial monopolies’ often develop. This ends up costing passengers more, wasting the resources of bus companies, emitting excessive pollution, obstructing a vital revenue stream for local transport

¹⁴ See Raikes 2017.

authorities (that can be used to service debt from capital investment), and preventing London-style smart ticketing.¹⁵

9. INTEGRATE PLANNING, HOUSING AND TRANSPORT

Mayors and their combined authorities should set out their 2050 vision: a long-term strategic plan, to sit above the shorter-timescale strategic economic plans. This should be a fully-integrated plan, including all forms of land use and transport.

As well as ensuring a strategic approach to the city generally, this would enable, for example, new housing developments and business parks to be packaged with new tram lines or bus routes, and for a more inclusive approach to land designation.

Evidence

Integrated land use and transport planning is undertaken at the city-region level in many developed countries, and there is a strong case for rolling this out in the UK. There is already some movement in this direction, with spatial planning powers being exercised in Greater Manchester, but this will need to be integrated with transport planning in future.¹⁶

10. STRIKE A HOUSING INVESTMENT DEAL WITH CENTRAL GOVERNMENT

Mayors and their combined authorities need to make an ambitious offer to central government, including:

- commitments to support the release of sufficient public land, and to assess suitability for tenure mix across these sites, exploring both the potential in land sales and conversion opportunities of existing public assets
- the development of up-to-date local plans, with mayoral intervention where this process stalls
- ongoing negotiations with government on home ownership and housebuilding targets
- programmes to support small and medium-sized enterprises (SMEs) to access and develop sites
- a willingness to pursue opportunities across local authority boundaries that would benefit local and regional areas, as well as national targets.¹⁷

Evidence

Housing is a major challenge across the country. However, the nature of this challenge differs geographically – only London suffers such dramatically high prices, and some areas have derelict and empty homes within walking distance of their city centres. The government's housing white paper enables deals to be struck between central and local government in the way described here, and could help to alleviate

15 See Raikes 2017; Raikes L (2016a) *Connecting lines: How devolving transport policy can transform our cities*, IPPR North. <http://www.ippr.org/publications/connecting-lines-how-devolving-transport-policy-can-transform-our-cities>

16 See Raikes 2017.

17 Snelling and Davies 2016: 4.

some of these issues. The indications are that local government will need to be very ambitious in setting out land for development.¹⁸

11. SET OUT AN INFRASTRUCTURE PIPELINE AND CO-ORDINATE INVESTMENT ACROSS REGIONS

Mayors should learn from the success of London and, working with their combined authorities, set out a pipeline of investments that align with the outcomes they are trying to achieve, and their long term strategies.

They should also dovetail this with central government's industrial strategy.

This should not be a 'wish list': it should be rooted in a long-term vision for the city region, and it should be packaged as a transformative investment prospectus (as with the Northern Hub projects which are now being delivered).

Mayors should use this prospectus to bolster the case for transcending cost-benefit ratios in evaluating transport appraisals, and instead prioritising broader economic and social benefit.

They should work with other mayors and leaders across their region to dovetail their own infrastructure plans with those of their neighbours, in order to maximise impact.

Evidence

Most city regions already have an investment pipeline, but it will be important to prioritise these schemes according to the outcomes mayors and their combined authorities are seeking in the longer term, and to dovetail them with the government's industrial strategy.¹⁹

12. EXPAND THE USE AND SCOPE OF EARNBACK AND GAIN SHARE AND PILOT 'INVEST-TO-SAVE' MODELS IN OTHER PUBLIC SERVICES

Mayors should make the case to government for further earnback and gain share schemes, which unlock upfront capital by rewarding successful investments at five-yearly gateway assessments.

Their scope should be expanded to cover investment in housing, and to factor in employment and health outcomes, thus enabling more upfront investment and incentivising a better form of economic growth.

These could form part of mayoral development corporations, or be pursued on discrete transport schemes.

Mayors should also convene actors across the public sector, exploring joint ventures and social enterprise models for commissioning transport on an invest-to-save basis.

Evidence

Since the first city deals, earnback and gain share have unlocked an important investment stream for the major cities to invest in transport infrastructure (although the nature of these schemes has changed). However, given that health and employment outcomes are top priorities,

18 See Raikes 2017; Snelling and Davies 2016.

19 See Raikes 2017; Cox et al 2016.

and are able to be proven far more robustly than uplifts in economic growth, there is a case for expanding the scope of such schemes to cover these areas.²⁰

13. ROLL OUT 'TOTAL TRANSPORT' – INTEGRATED TRANSPORT ACROSS THE WHOLE PUBLIC SECTOR

Mayors should bring together the many public agencies that spend on transport, and try to use this spending in a far more efficient way.

In the short term, this would mean transport authorities advising commissioners in other public agencies such as the NHS, and seeking out joint ways of working, while learning from the total transport pilots currently being rolled out in rural areas.

Mayors would then need to adapt these models to the challenges and opportunities of an urban environment.

Evidence

There are significant savings to be made between the Department of Health, Department for Education, and local authorities, which all provide transport services, but don't co-operate or get value for money from tenders. Co-ordinating spending in this way is challenging, but there are a number of models currently being piloted in rural areas across the country which look to commission transport more effectively: for example, co-commissioning, social enterprises or joint ventures.²¹

20 See Raikes 2017; Raikes 2016a; Raikes L and Davies B (2016) *Welfare earnback: An invest-to-save approach to designing the new Work and Health Programme*, IPPR North. <http://www.ippr.org/publications/welfare-earnback>

21 See Raikes 2017, 2016a.

A HEALTHY ENVIRONMENT

Our polluted cities impact on the health of our citizens and the sustainability of our environment. The cities soon to elect mayors have significant public health problems to tackle, and they can also play an important role in the global fight against climate change. Mayors will be able to make an impact on both of these overlapping agendas, using both soft and hard power to make their city regions healthier and more environmentally friendly.²²

Mayors should do the following.

14. EMBED HEALTH IN ALL POLICY

Mayors should take a ‘health in all policies’ approach to improving the health of all people. This could include:

- introducing health in transport appraisal through the health economic assessment tool (HEAT), and TfL's sickness absence reduction tool (SART)
- encouraging active travel and public transport, by adopting a similar approach to London’s ‘healthy streets’
- investing health funding in the work and health programme, in an invest-to-save model (see recommendation 19, on welfare earnback)
- prioritising public health considerations, as mayoral development corporations develop new housing and employment sites
- accounting for the health cost of fuel poverty and cold homes.

Evidence

Embedding health in all public policy could have significant benefits. Mayors are uniquely placed to assert this priority across all policy within their city regions, and to encourage the whole public sector to work to this shared and important agenda. They will also be able to exercise some soft power over health and social care (recommendation 21), and health innovation (recommendation 22).²³

15. SET OUT A CLEAN AIR CHARTER AND EMBED BEHAVIOUR CHANGES IN PUBLIC TRANSPORT AND ACTIVE TRAVEL

Mayors, working with their combined authorities, should roll out city-wide active lifestyles programmes and clean air charters. All public sector employers and anchor institutions should be targeted, and should promote its uptake in the wide private sector.

This should be part of a multi-pronged approach to increasing active travel and public transport uptake.

²² See Raikes 2017.

²³ Ibid.

- First, they should dis-incentivise car use, using workplace parking levies and road user charging (as described in the introduction).
- Second, they should use this funding to invest in better public transport connections or promote their use: for example, bus rapid transit, tram, and active travel facilities – such as the next generation of bike share, with smart locks and high quality changing facilities.
- Third, they should try to embed behaviour change at transition stages in people’s lives, by offering short-term travel passes or discounts: for example, for new graduates from colleges or universities, new residents in housing developments, those who have recently moved into work from unemployment, and for employees of new businesses via the employer charter.
- Finally, they should map air quality across their cities in real time for citizens, raising awareness of air quality.

Evidence

Air quality is quickly becoming a top priority at all levels of government, as the evidence of the health impacts of pollution stacks up. The interventions listed above are well-established as effective, and together could be transformative.²⁴

16. ROLL OUT CLEAN AIR ZONES

Mayors should work with their combined authorities and the government to accelerate plans for clean air zones in their cities.

They should push for the money that charges raise to be retained locally in the same way that London can.

The small amount of money raised in the short term could then be used on related interventions, such as embedding behaviour changes, investing in low-emission buses, or trialling a congestion charge.

Evidence

The air in our cities is toxic. Exacerbated by high traffic density and congestion in city centres and on motorways, particulates and nitrogen dioxide pollute the air and cause premature death. The government has already been forced by the EU to mandate some cities to implement clean air zones, and is likely to enforce this in more cities soon.²⁵

17. ENCOURAGE COMMERCIAL CAR SHARE SCHEMES AND ELECTRIC VEHICLE UPTAKE²⁶

Mayors should work with boroughs to provide parking spaces or parking permits for those using car share schemes.

Transport authorities could also partner with utility companies to pilot electric vehicle car-share schemes, in order to make electric cars more commonplace.

24 See Raikes 2017; Laybourn-Langton L, Quilter-Pinner H and Ho H (2016) *Lethal and illegal: Solving London’s air pollution crisis*, IPPR. <http://www.ippr.org/publications/lethal-and-illegal-solving-londons-air-pollution-crisis>; and Raikes 2016a.

25 See Raikes 2017; Laybourn-Langton et al 2016.

26 See Laybourn-Langton L, with Quilter-Pinner H (2016a) *London: Global green city*, IPPR. <http://www.ippr.org/publications/london-global-green-city>

Mayors should also campaign to increase awareness of electric vehicles, invest further in infrastructure, and encourage the public sector to make more use of electric vehicles.

Evidence

Car share schemes have successfully reduced the number of cars on the road – especially in London – and tend to produce less CO₂. Electric vehicle infrastructure is in place across many cities, but usage of electric vehicles has yet to fully take off.²⁷

18. ESTABLISH A CITY REGION ENERGY COMPANY

Mayors, working with their combined authorities, could set up an energy company to drive up competitiveness in the energy market, and help tackle fuel poverty.

An energy company would:

- purchase energy from local renewable sources, and from the market, in order to compete with private sector suppliers
- provide and promote loans to households and SMEs so that they can invest-to-save on improving energy efficiency
- develop strategies to increase the uptake of solar and heat energy production
- manage energy for the constituent authorities, to promote decarbonisation and the productive use of assets
- champion community energy enterprises, and offer schemes that enable all citizens to share in the socioeconomic benefits of local community projects
- facilitate collective purchasing schemes
- borrow to invest in large scale generation schemes such as tidal power or wind farms
- purchase energy on behalf of transport networks and electric vehicles.

In doing so, they could take an asset-locked, community benefit society model (as in Scotland), or investigate co-operative ownership models.

Evidence

Energy companies have been rolled out successfully in Nottingham, Bristol, and across Scotland. They can be expensive to start up, but mayors could work with municipal suppliers that are already licensed (white labelling).²⁸

²⁷ See Raikes 2017; Laybourn-Langton et al 2016.

²⁸ See Raikes 2017; Laybourn-Langton L (2016b) *Community and local energy: Challenges and opportunities*, IPPR. <http://www.ippr.org/publications/community-and-local-energy-challenges-and-opportunities>; Laybourn-Langton 2016a.

EFFECTIVE PUBLIC SERVICES

Our cities need more effective public services. They tend to have high rates of poverty and homelessness, below average performance in education and training, and even poorer health. Mayors present an opportunity to drive forward the policy innovation that people need. However, they won't have any direct powers over the public services concerned, and will have to work closely with constituent districts in many cases.²⁹

Mayors should do the following.

19. SET UP A WELFARE EARNBACK COMPANY TO SECURE JOB GUARANTEES FOR THE LONG-TERM UNEMPLOYED

Mayors should convene the public sector agencies that stand to make a saving from employment outcomes.

They should then set up a joint venture with these agencies, which would take an invest-to-save approach for the work and health programme – investing in employment support interventions, on the basis that they would save significant sums further down the line.

This would enable more effective but expensive measures to be used, such as job guarantees, if they are judged likely to be successful on a case-by-case basis.

This could form part of the devolved work and health programme, or could be piloted even in areas where this isn't devolved.

Evidence

The previous work programme met only the very low expectations it was set. Successive government programmes have lacked the funds required to be more ambitious. By adopting an invest-to-save model, policymakers could unlock some of the £9,000 per year that can be saved when someone moves into work.³⁰

20. ROLL OUT A CITY 'CHALLENGE' ACROSS EARLY-YEARS, EDUCATION AND TRAINING

Mayors should encourage and facilitate innovation in schools and colleges across their city region, learning from the London Challenge and similar programmes in Greater Manchester and the Black Country.

They should encourage children's centres, schools and colleges to collaborate, invest in leadership, engage with employers, experiment and learn from each other, and make use of the careers advice and work experience that would be on offer from the careers company (see recommendation 7).

²⁹ See Raikes 2017.

³⁰ See Raikes 2017; Raikes L and Davies B 2016.

Mayors should work with local providers to develop their own league tables based on more robust or useful measures of success – including contextual value added and job outcomes, or provision of quality careers advice and work experience. They should work with the research and innovation board in order to do so, and to make full use of the data they already gather.

They could also publish performance data and employer feedback on apprenticeship providers in order to drive up quality of apprenticeship provision.

Evidence

London's schools perform better than average across the board, and many attribute some of this success to the London Challenge (there were also 'City Challenge' programmes in Greater Manchester and the Black Country). There are likely to be a number of reasons why London's schools excelled (early-years investment, more funding and concentrations of migrant populations are often discussed), but a city-wide scheme that takes this best practice forward would help schools in mayors' cities to improve.³¹

21. ENABLE HEALTH AND SOCIAL CARE COLLABORATION AND INTEGRATION

Mayors should support the integration of health and social care across their city region – both in areas with health devolution, and those without.

They should help pioneer models of social care that embed higher pay, productivity and progression.

In Greater Manchester, the mayor will have structures to engage with, but elsewhere they will need to convene health and social care agencies themselves at the city region level.

In Greater Manchester, mayors should work to progress – albeit cautiously – with further devolution and integration. In the other areas, mayors should begin to construct a business case for incremental devolution, while learning from Greater Manchester's experience.

Evidence

Health devolution, or 'delegation', is being rolled out in Greater Manchester. However, even here the mayor will have no direct power over health and social care commissioning – it is the districts, alongside the many health agencies, who are rationalising their approach and beginning to work together around some core work streams. The mayors' role – especially in Greater Manchester, but also elsewhere – will be to use their soft power to improve the ways in which health and social care interact, although in other areas they are likely to have less traction, and none of Greater Manchester's structures to work with.³²

31 See Raikes 2017; Clifton J, Round A and Raikes L (2016) *Northern schools: Putting education at the heart of the northern powerhouse*, IPPR North. <http://www.ippr.org/publications/northern-schools-putting-education-at-the-heart-of-the-northern-powerhouse>

32 See Raikes 2017; Quilter-Pinner H and Antink B (2017) *Devo-health: Where next?*, IPPR. <http://www.ippr.org/publications/devo-health-where-next>

22. ACCELERATE HEALTH INNOVATION

Mayors should convene and chair a health innovation board made up of members of the local health economy (commissioners, universities and hospitals), which aims to push new research in pharmaceuticals and medical technology through into practice – working with neighbouring authorities and other city regions where necessary.

This would encourage engagement between commissioners and the pharmaceutical and medical technology industries, in order to keep up with new developments.

They should engage with other partners, such as housing associations and social care providers, in order to pilot, and then then roll out, new medical technologies.

They should aim to secure public investment, and work with corporates to install accelerators in city regions to enable start-ups and spin-outs to realise their potential.

They should support the formation of health clusters directly, and encourage health service commissioners to develop new approaches to health procurement, in order to maximise regional clusters and supply chains, and drive up local economic multipliers.

Evidence

A great deal of innovation is being undertaken between universities, companies and in the NHS both within and between city regions and their hinterlands. This is often joined up through academic health science networks and other organisations such as the Northern Health Science Alliance, Medcity, or Health Innovation Manchester. However, there is an acknowledged need to speed up the adoption of new treatments and technologies, which mayors could facilitate.³³

23. WORK COLLABORATIVELY TO END HOMELESSNESS

Mayors should convene a range of stakeholders – especially those with lived experience – to help tackle homelessness (both rough sleeping and temporary accommodation) at the city-region level, and to embed collaboration across the area.

The objective would be to add value to the work being done in a number of ways by taking a city-region approach.

- First, it would enable best practice and innovation to be shared across the city region, and for acceptance policies to be standardised.
- Second, it could move toward a city-region approach to delivery by setting up a charging mechanism, so that the district delivering services can be funded more fairly by its neighbours.
- Third, it could gather robust intelligence centrally as part of the research and innovation board, which is often a challenge, given the nature of the problem.

³³ See Raikes 2017; Raikes L (2016b) *Health innovation: Breathing life into the northern powerhouse*, IPPR North. <http://www.ippr.org/publications/health-innovation-breathing-life-into-the-northern-powerhouse>

- Finally, it could explore economies of scale for commissioning certain services at a city-region level, and tie in to the work of the deposit guarantee scheme, landlord licensing and social lettings agency.

Evidence

Tackling homelessness is a statutory duty of local authorities, but it is one they often struggle to deliver in city regions where the problem can be acute, and rough sleepers move from one district into another. There is therefore a strong case for a city-region approach in some places.³⁴

24. PROVIDE DEPOSIT GUARANTEES, AND TAKE A ‘HOUSING FIRST’ APPROACH TO TEMPORARY ACCOMMODATION

Mayors, either alone or with their combined authorities, should set up companies that would cover the tenancy deposit for those who can’t afford to pay it (and take on the associated liability), to be paid back once the tenancy ends.

This could be targeted at those in temporary accommodation, so that they can move into secure, better quality housing.

Criteria could be set to make sure this benefits those most in need, while managing the risk of default.

Given the importance of secure housing in resolving wider issues around homelessness, this could form the basis of an invest-to-save model – and even result in a revenue saving, which could be reinvested or used to cover lost deposits.

Over time, this could be extended into a city-wide deposit insurance scheme, whereby no deposit would ever need to be paid up-front.

This could be initially supported from pension funds, although it should be self-sustaining in the longer term, and mayors should look to use invest-to-save models in order to leverage funding from local authorities and government departments that make a saving.

This could be piloted through mayoral development corporations (see recommendation 1), and should be co-ordinated with actions to end homelessness, landlord licensing, and the social lettings agency.

Evidence

Many people who are homeless end up in unsupported temporary accommodation. This can be unsafe and of poor quality, and can trap people in a vicious cycle. The problems homeless people face are often complex and extend much further than the provision of a home; however, the ‘housing first’ approach enables the other services people need to be wrapped around the individual or family circumstance. Some organisations already pay deposits in the way this recommendation suggests, and find that they rarely pay out on the bond.³⁵

34 See Raikes 2017; Maciver C, Snelling C, Fleming A and Davies B (2016) *The journey home: Building a solution to unsupported temporary accommodation*, IPPR North. <http://www.ippr.org/publications/the-journey-home-building-a-solution-to-unsupported-temporary-accommodation>

35 See Raikes 2017.

25. CO-ORDINATE LANDLORD LICENSING

Mayors should facilitate the rollout of landlord licensing within their constituent districts, up to the legal limit of 20 per cent, and then pull together a strategic, city-wide case to take to the secretary of state in order to roll it out further.

This would be a co-ordinating and facilitating role for the mayor, who would rely on the political will within districts, and the expertise of their officers, to implement such schemes

This would help to set property standards, and prevent discrimination against local housing allowance claimants (that is, the ‘no DSS’ requirement).

Mayors could work with the social lettings agency to guarantee rent payments in some cases.

This could be focussed within housing developments in mayoral development corporation zones (see recommendation 1) and ties in to the social lettings agency (below).

Evidence

The private rented sector forms a significant proportion of the housing market, but the quality of housing can be poor. Landlord licensing schemes can help by requiring particular standards of landlords, and have been implemented in Newham and Liverpool. Local authorities require secretary of state approval to implement such a scheme across more than 20 per cent of their area. This is not a costly proposal, and would only draw on local authority officers’ resource which, while often scarce, could be reprioritised.³⁶

26. SET UP A SOCIAL LETTINGS AGENCY

Mayors should set up a social lettings agency that links-up tenants with accredited landlords.

This would mean setting up an online hub, complemented by a ‘TripAdvisor’ model for reviewing landlords and making rent comparisons.

They could offer discounted fees for landlords offering long-term tenancies.

They could be governed as co-operatives.

This would link to landlord licensing, the deposit liability scheme, and working collaboratively to end homelessness, and CPO powers could be used to target empty properties and let them socially.

Evidence

Social lettings agencies are already in place across the country as an alternative for those who struggle to either afford or work with conventional lettings agencies. This can be because agencies’ fees are too high, or because they are not able to work with landlords to place those in challenging situations. Social lettings agencies do cost to set up, but tend to break even after a couple of years.³⁷

³⁶ See Raikes 2017; Snelling and Davies 2016.

³⁷ See Raikes 2017; Davies B and Turley A (2014) *Back to rising damp: Addressing housing quality in the private rented sector*, IPPR North. <http://www.ippr.org/publications/back-to-rising-damp-addressing-housing-quality-in-the-private-rented-sector>

INCLUSIVE DEMOCRACY

The mayoral model has a number of advantages. Mayors are highly visible figures, and the electorate will hold them to account for the promises they make at the end of every term. However, robust checks and balances do need to be put in place, and this model should not be viewed as the limit of democratic innovation. And mayors alone cannot represent the diversity and political plurality of the major city-regions over which they will govern; they will need to actively engage local residents in the democratic process. They will also have to work very closely with the other democratically elected leaders within their area to deliver change, and should pursue a collaborative and holistic approach to governance in order to deliver their mandate.³⁸

Mayors should do the following.

27. SUPPORT INDEPENDENT CITY REGION SCRUTINY COMMITTEES FOR KEY POLICY AREAS

Mayors should support the introduction of focussed and powerful scrutiny committees across their city regions, made up of councillors with appropriate political representation for each of the constituent districts.

At least half of these committees should be chaired by women, and the membership should be gender-balanced and reflect local diversity.

The remit of each committee could, where possible, align with the broad outcomes the mayor seeks to achieve, as suggested in this report – in addition to police and crime, and health and social care, where appropriate. However, they should be free and independent to prioritise different areas.

Their role would be to hold both the mayor and the combined authority to account for their activities, and conduct independent investigations as they see fit. However, they should also be engaged in consensual policymaking by contributing to decisions and strategies before they are made.

In addition to committees structured around outcomes, there should also be a public accounts committee at the city-region level, to guarantee value for money and efficiency of public services.

There should also be an equality, diversity and governance committee to cut across all policy areas, engage with the activities of the citizens' forum and participatory budgeting, and push forward improvements to governance in consultation with independent experts.

³⁸ See Raikes 2017.

Evidence

Mayors and their combined authorities will exercise significant amounts of executive power. Robust scrutiny of their choices will be essential in order to make sure the right strategic decisions are made.³⁹

28. SET UP A CITIZENS' FORUM TO PROVIDE INPUT ON SPECIFIC AREAS

Mayors and their scrutiny committees should set up citizens' forums to investigate specific areas of policy, input into key work streams and make recommendations to scrutiny for endorsement.

They should have 30 members, similar to the citizens' council used by the National Institute of Clinical Excellence, selected at random from the electoral register.

This should be gender-balanced, representative of local diversity, and 10 people should be replaced each year to keep the group fresh.

The forum could meet quarterly, and their activities would be facilitated by an independent third party.

They would need to be fully resourced and supported, and to take evidence from a range of sources in order to provide meaningful input. They would also need to be continually evaluated to ensure they are inclusive.

Evidence

Citizen engagement with mayoral and city region politics must be more meaningful than an election every four years. Citizens' forums provide an important way for citizens' views to feed into key priority areas. In order to be effective, these need to have a clear focus and interact meaningfully with existing democratic structures. There are, however, a number of options, and mayors should encourage innovation and experimentation.⁴⁰

29. SPEND A SMALL SHARE OF THEIR FUNDS THROUGH PARTICIPATORY BUDGETING

Mayors should engage with their residents to agree their annual priorities, and set a target for their combined authorities to spend 1 per cent of their budgets through participatory budgeting.

There should also be appropriate checks and balances in place, as have been instituted successfully in areas where this has been taken forward.

These should be subject to ongoing evaluation in order to ensure all communities are engaged. However, this should be seen as the beginning of democratic innovation and experimentation, which could start to incorporate best practice from around the world and pioneer new technologies.

Evidence

Participatory budgeting is an inclusive and important way for citizens to engage with democracy. There need to be robust and inclusive processes in place to make sure that they engage with all groups and geographies

³⁹ See Raikes 2017.

⁴⁰ Ibid.

within a city, but many of the challenges of budgeting in this way have been overcome elsewhere.⁴¹

30. REFORM THEIR LEP TO INCLUDE ANCHOR INSTITUTIONS, ALONGSIDE REPRESENTATIVES FROM SMALL BUSINESSES AND EMPLOYEES

Mayors and their combined authorities should reform their LEPs to include anchor institutions, small businesses and trade union representatives.⁴²

All new LEP members should be required to pay a living wage and sign up to the mayors' employer charter, in order to set an example to local employers and guarantee that the city region is geared toward long-term, inclusive and resilient economic growth.

They should also actively work to co-ordinate corporate social responsibility (CSR), share best practice, and work through their supply chains in order to implement change.

Evidence

LEPs play an important role in shaping their city regions. They cover several local authority areas, and have the power to set strategies, prioritise investment, and block a mayor's business rate supplement. It is vital that they represent a range of stakeholders, and sign up to the principles of inclusive growth themselves.⁴³

41 Ibid.

42 Not all combined authorities can do this, and in some areas there is more than one LEP

43 Ibid.

THE NEXT WAVE OF DEVOLUTION

The next three years will be vital ones for devolution and democracy in England. The measures outlined in this report demonstrate the impactful and positive steps that mayors can take to transform their cities in their first three-year terms.

But mayors could be transformative, and they will need more powers if they are to truly deliver for their citizens. In order to do so, they will need more devolution. And in order to get this devolution, they will have to work together.

MAYORS SHOULD COLLABORATE ACROSS THEIR REGIONS AND THE COUNTRY IN ORDER TO PUSH FOR FURTHER DEVOLUTION AND SHARE BEST PRACTICE

Mayors should work collaboratively across their wider regions (such as the North or Midlands) on areas such as industrial strategy and transport, and unite from across the country to push for more devolution.

As a first step, the new mayors and the mayor of London should meet immediately after the elections to discuss and agree shared objectives and goals.

They should then meet regularly to push the devolution agenda further, and also work to support other areas that may look for devolution.



The government then needs to deliver real change. By 2020, the government should strike a new series of devolution deals, prioritising fiscal devolution, and giving mayoral combined authorities across the country the powers to support their industrial strategy and public service reform.

THE GOVERNMENT SHOULD PRIORITISE A PACKAGE OF FISCAL DEVOLUTION AMONG A NUMBER OF MEASURES THAT SHOULD BE DEVOLVED

Allow current funding streams to be spent differently

- Allow apprenticeship levy underspend by larger companies to be gathered, and co-ordinated by combined authorities to be spent on pre-apprenticeship training, careers advice and work experience.
- Pool transport funding from all departments (such as health and education) at a city-region level, and enable a total transport approach.
- Align regional school commissioners with mayoral combined authorities, and allow the schools budget for a city region with

a combined authority to have funding diverted toward city-wide education priorities.

Reward financial innovations, especially when mayors save central government money or generate additional tax revenue

- Enable mayors to pilot innovative new financing mechanisms such as land value capture, first through mayoral development corporations, then more widely.
- Reward mayors' job creation and other outcomes – such as health improvements – through earnback and gain share deals.

Open up new income streams for mayors

- Remove the cap on the business rate supplement, and broaden its scope to fund improvements in the transport network that go beyond physical infrastructure, and encompass economic development more generally.
- Allow combined authorities to levy a hotel bed tax.
- Roll out clean air zones, and allow the revenue stream to be spent by the mayor.

Assign current taxes to the mayoral combined authority in which they are raised

- Assign the aggregates levy to combined authorities, as with Scotland and Wales.
- Assign the landfill tax to combined authorities (as in Scotland and Wales)

Devolve powers over taxation

- Give local authorities full control over council tax, lifting restrictions on raises over 2 per cent a year, and committing not to interfere in council tax decisions. Local authorities should also be allowed to introduce new additional council tax bands as they see fit.
- Give combined authorities the power to set business rate bands for their constituent local authorities.
- Allow local authorities to charge council tax on unbuilt homes to accelerate building rates.
- Allow combined authorities to set planning fees for local authorities across their city region.
- Allow local authorities the power to increase council tax premiums on second homes and empty properties beyond the current limits, to increase the efficient use of property locally.
- Allow combined authorities to test the use of 'sin taxes' (cigarettes, alcohol, sugar and fat) to deter unhealthy behaviour and invest in public health.
- Devolve the secretary of state's role in approving landlord licensing of greater than 20 per cent to mayors.
- Devolve the secretary of state decision-making powers on workplace parking levies to local authorities.

Alongside the above measures, more generally the government needs to engage with mayoral combined authorities and local government in a more constructive way than it does currently.

- Engage with combined authorities (with or without mayors) when developing industrial strategy, on the same terms as they do with devolved administrations in Wales and Scotland.
- Engage with combined authorities (with or without mayors) as they negotiate Brexit.
- Set up an independent body for local fiscal management with responsibility for overseeing central–local funding arrangements.⁴⁴

⁴⁴ See Raikes 2017; Snelling and Davies 2016; Raikes 2016a; Cox E, Henderson G and Raikes L (2014) *Rebalancing the books: How to make the 2015 spending review work for all of Britain*, IPPR North. <http://www.ippr.org/publications/rebalancing-the-books-how-to-make-the-2015-spending-review-work-for-all-of-britain>, Cox E, Henderson G and Raikes L (2014) *Decentralisation decade: A plan for economic prosperity, public service transformation and democratic renewal in England*, IPPR North. <http://www.ippr.org/publications/decentralisation-decade>; Quilter-Pinner H and Antink B (2017) *Devo-health: Where next?*, IPPR. <http://www.ippr.org/publications/devo-health-where-next>.

ANNEX

TABLE B.1

Powers devolved to each mayoral combined authority (not just the mayor)

Key	
To be devolved	
Under discussion	

		Greater Manchester	Tees Valley	Liverpool	West Midlands	West of England
Further education & skills	Redesign post-16 FE system					
	Apprenticeship grant for employers					
	Adult skills funding by 2018/19					
Transport	Devolved, consolidated transport budget					
	Bus franchising					
	Joint working with Highways England & Network Rail					
	Local roads network					
	Smart ticketing					
Business support	Growth hub to align local & national business support services					
	Joint working with UKTI					
	Devolved approach to business support services from 2017					
Employment support	Joint commissioning of support for harder to help claimants					
	Possible full joint commissioning from 2017					
Land & housing	Public land commission / joint asset board					
	Housing loan fund					
	Compulsory purchase orders					

		Greater Manchester	Tees Valley	Liverpool	West Midlands	West of England
	Mayoral development corporations					
	Planning call-in powers					
	Consultation on strategic planning applications					
	Housing grant fund					
	Spatial strategy					
Public services	Health & social care integration					
	Planning for health & social care integration					
	Children's services					
	Offender management, probation, prison estate					
	'Troubled families' / 'working well' programmes					
	Mayor to become police & crime commissioner					
	Fire service					
Finance	Intermediate body for EU structural funds					
	Investment fund (£m per year)	£30	£15	£30	£36.50	£30
	Single funding pot					
	Retention of 100% business rates growth					
	Pilot retention of 100% business rates revenue					
	Mayoral business rates supplement					
	Community infrastructure levy					

Source: Sandford M (2016) 'Devolution to local government in England', briefing paper no. 07029, House of Commons Library. <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN07029>