ENGLAND’S NEW LEADERS
EVIDENCE BASE

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April 2017

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INTRODUCTION AND OVERVIEW

This paper provides the evidence base for the report *England’s New Leaders: How mayors can transform their cities*. That report sets out a large number of recommendations; this evidence base runs through each of these in turn, and provides the evidence that underpins them.

Six of England’s major cities will soon be under new leadership. These mayors will govern a population of 9.5 million in total, and economies worth £214 billion – more than Scotland and Wales put together (ONS 2017).
ENABLING AND DELIVERING TRANSFORMATION

MAYORS SHOULD:

A. Set out deliverable outcomes, and form teams to cut across central and local silos

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.

- Scotland’s government has been set out around outcomes since 2007. In contrast to the UK government approach, these cut across departmental silos and involve all public bodies at the central and local level. The outcomes are well-designed to transcend party politics, and are aligned to strategic objectives: Wealthier and fairer; safer and stronger; smarter; greener; and healthier (see Scottish Government 2016a).

- This approach is already in place locally too – the Greater Manchester Strategy sets out strategic objectives to which all GM work seeks to achieve, as set out below:
  
  o We will: secure our place as one of Europe’s premier city regions, synonymous with creativity, culture, sport and the commercial exploitation of a world class knowledge base
  
  o We will: compete on the international stage for talent, investment, trade and ideas
  
  o We will: be seen and experienced as a city region where all people are valued and are able to fully participate in and benefit from the city-region’s success
  
  o We will: be known for our good quality of life, our low carbon economy and our commitment to sustainable development
  
  o We will: continue to grow into a fairer, healthier, safer and more inclusive place to live, known for excellent, efficient, value for money services and transport choices
  
  o We will: deliver focused and collegiate leadership of Greater Manchester based around collaboration, partnerships and a true understanding that through collective and individual leadership we are strong (GMCA and AGMA 2013).

B. Unlock new sources of finance

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
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.

- **Charges on emissions and congestion.** In London this raised £168.3 million in 2015/16 (TfL 2016).
- **Workplace parking levy.** In Nottingham this raised £9.3 million in 2015/16 (Scott 2016).
- **Financial innovations.** The earnback deal for the extension of Metrolink into Trafford Park in Greater Manchester unlocked £350 million (Lloyd and Lamonte 2016).
- **Council tax precept.** In London, the Mayors precept brought in £774 million in 2016/17 (Mayor of London 2016).

### C. Set up a research and innovation board, and prioritise open data

*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.*

- Greater Manchester has invested significantly in research capacity, with New Economy, now part of the combined authority, analysing the city region’s performance and conducting research across all policy areas. But there are other organisations that are based in these city regions which also conduct important research for policy makers: in Greater Manchester for example, the inclusive growth analysis unit is performing an increasingly prominent role (see IGAU 2016).

- Big and open data is essential for innovation – especially in transport and public health. In transport policy, data can be used to maintain assets, manage traffic or plan services for example; TfL has released some of its data to developers, enabling a number of apps to be created (POST 2014; GLA and TfL 2015; Raikes 2016a).
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.

A number of recent reports have highlighted inclusive growth as a top priority:

- Stiglitz, et al (2009) presented the findings of their seminal work which sought to move the debate ‘beyond GDP’ as a measure for economic and social progress
- The OECD is increasingly focusing on inclusive growth, and seeks to prioritise both inclusivity and productivity (OECD 2016)
- Beatty et al (2016) have constructed an inclusive growth monitor for the Joseph Rowntree Foundation
- Manchester University and the Joseph Rowntree Foundation have set up the Inclusive Growth Analysis Unit (IGAU) to analyse inclusive growth with a focus on Greater Manchester, and they have produced a number of reports setting the priorities for the new mayor (see Lupton and Hughes 2017, IGAU 2016)
- The RSA recently published the findings of the Inclusive Growth Commission (IGC 2017)

MAYORS SHOULD:

1. Use mayoral development corporations to drive inclusive growth in designated development zones

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.
- There is a range of evidence showing that physical regeneration often doesn’t have the desired impact on employment, and on other outcomes associated with inclusive growth: enterprise zones have generated little additional employment or growth, although the transport infrastructure that accompany them has been found more effective (Sissons and Brown 2011); and Local enterprise growth initiatives (LEGI) were found to improve business performance but did not improve worklessness, and often displaced activity (DCLG 2010; Einiö and Overman 2016).

- The importance of public health and environmental outcomes to city regions is covered in the ‘healthy environment’ section below.

- Snelling and Davies (2016) recommend that mayoral development corporations are used to test and pilot new devolved powers.

2. Become Living Wage champions, and set out a Mayor’s employer charter on job quality

*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.*

- A fifth of employees in Great Britain are classified as low paid, and many of these are in the major cities (Clarke and Darcy 2016; Clarke 2016)

- The evidence is that this causes great hardship: more than a fifth of the population lives in a low-income household (about the same as in 2002/03) and one in eight workers live in poverty (Tinson et al 2016)

- The Living Wage is based on the cost of living, and increasing people’s pay to this level can go a long way to helping them to get by (Living Wage Foundation 2017)

- There is also evidence that it improves retention, loyalty and improved attitudes toward work (Trust for London and QML 2012)

- There has been some pushback against implementing a Living Wage requirement through procurement, with EU law – specifically the Rüffert case – often cited as a precedent for exposing local authorities to legal challenge. However, recent examples in UK law are more positive about the living wage requirement – many local authorities do this already and have yet to be challenged legally (Koukdiaki 2014).
3. Connect poor neighbourhoods with job growth

*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 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.*

- Outside of London authorities aren’t able to fully integrate or co-ordinate their transport networks, as they lack the powers TfL has over buses. This means that bus use outside of London has fallen since the 1980s – so much so, that the capital now accounts for more than half of all local bus journeys in England (DfT 2016)

- Transport authorities outside London are able to subsidise routes but only where there is evident market failure. However, because of funding cuts to local government, these services have been reduced dramatically in many parts of the country (CBT 2015)

- This causes particular difficulties for those who live in outlying neighbourhoods, which can be among the most deprived, putting the jobs generated in the middle of major cities, out of reach for those who need them most (Rae et al 2016).

- IPPR North has previously recommended mayors use these transport powers to connect deprived neighbourhoods with job creation (see Raikes 2016a).

4. Provide cheap transport for target groups

*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 targetted support of the sort described would be wholly justified.*

- Public transport is vital for a number of people to get to work, and buses are especially important. An estimated 2.5 million jobs are accessed by bus every day and another 1 million workers have the bus as a back-up option (Mackie et al 2012). Buses are especially important for jobseekers, who are twice as likely to use buses as anyone else (PTEG 2015). Other groups such as young people and low-income families are also especially reliant on buses (Fuller and Linton 2016).
– IPPR North previously recommended mayors cut transport costs for priority groups, and that schemes involving older people donating travel passes be investigated (see Raikes 2016a and Raikes et al 2015)

5. Prioritise international profile and connectivity, and collaborate to drive trade and investment

*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.*

– Many of the city regions that are soon to elect mayors appear to export and import a large proportion of both goods and services (see Thissen et al 2013)

– The Mayor of London has always represented the capital abroad: the previous mayor Boris Johnson went to Japan for example, while the current mayor Sadiq Khan has recently been to the United States (Mayor of London 2015; Blunden 2016).

– Inward investment projects into London made up almost half (46.0 per cent) of England’s projects, and research has estimated that areas outside London are 50–100 per cent more dependent on trade (DIT 2016; McCann 2016)

6. Co-ordinate and integrate industrial strategy

*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.*

– Industrial strategy has been used to underpin economic growth in many countries similar to the UK – France, Germany and the USA for example. The UK has always intervened in the economy, but has been less explicit and focused about the sector-specific consequences of doing so (Raikes 2016b)

– The government’s industrial strategy rightly emphasises the importance of place, and of rebalancing the economy (BEIS 2017).

– Local government already intervenes in some local industries, however they often lack the power and money to do so effectively (Raikes 2016b).

– Given that unemployment and poor quality employment are such problems in the country, it is vital that industrial strategy generates high quality jobs, with good pay and progression, and jobs which are accessible to those outside of the labour market.
- IPPR North have previously recommended that mayors co-ordinate their investments with national industrial strategy (Cox et al 2016).

7. Invest in a careers company, and take forward course-finding platforms in FE

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.

- Careers advice, work experience and employer engagement are all vital for the prospects of young people and adults alike. In many European countries, careers advice is essential in smoothing the transition into employment (Dolphin 2014)

- But in the UK, provision is poor: the national careers service delivers largely online, and information, advice and guidance (IAG) often fails to make full use of high quality labour market information (Dromey and McNeil 2017). The duty is currently on schools to secure careers advice to young people; however budget pressures mean that many have deprioritised it.
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.

A number of reports have highlighted the UK’s poor record for investing in infrastructure:

- There is a broad consensus that UK infrastructure investment has been far too low for some time, and leaves the country behind other countries – especially France and Germany (Mor 2017)

- The infrastructure that the government does fund is dramatically skewed towards London, which takes up 54.2 per cent of the public or public/private funded transport infrastructure projects in the national infrastructure pipeline from 2016/17 onwards (Blakeley 2017)

- The underinvestment in rail is a good example: there is more light rail many German cities than there is in the whole of the UK, and to reach German levels of light rail network per person, the UK would need to build 2,200km of new track – enough to build 24 networks the length of Greater Manchester’s Metrolink (Cox 2014 and author’s analysis of ERRAC and UITP 2012 via Raikes 2016a)

MAYORS SHOULD:

8. Implement bus franchising.

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 authorities (that can be used to service debt from capital investment), and preventing London-style smart ticketing.
Bus franchising enables a wide range of benefits – as summarised in Raikes (2016a) it enables:

- Integrated smart-ticketing, something which isn’t truly possible through ‘partnerships’ or voluntary agreements (see Taylor and Sloman 2016).
- A coherent, multimodal transport network to be developed, aligning tram, train and bus.
- Capital investment, by providing a revenue stream to service debt
- Democratic accountability, and the delivery of wider public objectives such as economic inclusion, and public health.

9. Integrate planning, housing and transport

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.

- Integration of land use planning and transport is widely recognised as an important objective for economic development (see EC 2014; OECD 2015a)
- Cities on the continent of Europe provide some good examples: Freiburg and Stockholm have shown how this can be used effectively (Taylor and Sloman 2011)
- There are some examples of ad hoc integration within the UK, such as MediaCityUK in Salford, which was accompanied by a tram line (ibid)
- This type of integration is essential in order to facilitate wider integration with other public services and overarching outcomes (Preston 2012)

10. Strike a housing investment deal with central government

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

- IPPR North has analysed the housing crises within the UK in depth. There are a number of housing crises within the UK – London has high prices, other
areas suffer inner city decay, with houses nobody wants to live in (Snelling and Davies 2016)

- IPPR North has previously recommended that mayors and their combined authorities strike a deal with central government in order to resolve the diverse range of housing market challenges each area faces (ibid)

11. **Set out an infrastructure pipeline and co-ordinate investment across regions**

*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.*

- Public spending on transport infrastructure is largely swallowed up by London, while Scotland and Wales benefit from their own separate infrastructure pipelines (Blakeley 2017).
- Within England, each LEP has set out its infrastructure priorities – which form the basis of growth deal funding – in addition to other funding for smaller scale infrastructure, and some projects which are funded with locally raised money.
- In order for industrial strategy to work, investment in infrastructure needs to complement the overarching industrial strategy (Cox et al 2016).

12. **Expand the use and scope of earn back and gainshare and pilot invest-to-save models in other public services**

*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, 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.*

- Earn back was an initially an experimental method for funding infrastructure based on the uplift in GVA that results, and featured in the Greater Manchester City Deal (GMCA 2012). However, this has been reformed, and now deals involve gateway assessments, whereby the success of the scheme is monitored independently as a basis for reward (HM Treasury and the GMCA 2014)
- However, evidence shows that infrastructure often doesn’t feed through to employment growth, and in order for investment to do so, local government
needs to be rewarded for job-creation activity, as well as activity which generates economic growth (Raikes and Davies 2016)

13. Roll out ‘Total Transport’ – integrated transport across the whole public sector

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.

- There are a number of ‘shadow’ bus networks that operate independently of the rest of the network – non emergency patient transport, home to school transport and special educational needs transport for example (Raikes et al 2015).
- This involves a great deal of public money, and estimates of the savings that could be made by integrating this more effectively are significant (ibid).
- ‘Total Transport’ pilots are a small scale government initiative which investigate how this could be spent differently across the country, and appear to have shown some success in the rural areas where they are implemented (Raikes et al 2015).
- The CTA and UTG (2017) estimated the potential for savings from taking such an approach for non-emergency patient transport: if it led to a 10 per cent reduction in missed appointments, they estimate a saving of £74.5 million a year to the NHS.
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.

- Air quality is a major issue for these cities, and is a top priority for the country. An estimated 29,000 deaths a year are attributable to manmade particulate air pollution, while there are further deaths attributable to nitrogen dioxide (Gowers et al 2014; Walton et al 2015).
- Walking and cycling (so-called ‘active travel’) are also vital tools in the fight against poor health. 24.4 per cent of the UK’s adult population is obese and a further 40.4 per cent are overweight (PHE 2016).
- The carbon footprint of our cities is also significant, especially given the congestion that occurs, which results in especially high emissions (CEBR 2014).
- In addition, for cities concerned with their economic development, there is some evidence that environmental factors contribute to economic growth, as an attractive urban core is increasingly important for attracting business and migration (OECD and CDRF 2010).

MAYORS SHOULD:

14. Embed health in all public policy

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).

- Health in All Policies (HiAP) is an important approach to public services advanced by the World Health Organisation (WHO 2014). This asserts health as a fundamental right, and health inequalities as unacceptable (ibid).
- The BMA has also advocated this approach, and in the context of welfare reform, highlights the consequences of austerity for poverty and inequality (BMA 2016)
- The seminal Marmot review also prioritised health equity in all policies, especially at the local level (Marmot et al 2010)
- TfL has pioneered using health in transport appraisal through the Health Economic Assessment Tool (HEAT), and Sickness Absence Reduction Tool (SART) (Mayor of London and TfL 2014).
- There are significant health costs associated with fuel poverty and cold homes (Marmot review team 2011)

15. **Set out a clean air charter and embed behaviour changes in public transport and active travel**

*Clean air 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.*

and

16. **Roll out clean air zones**

*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.*

- As already shown, air quality is a major concern, and 29,000 premature deaths per year can be attributed to particulate matter alone (Gowers et al 2014).
- The government is currently consulting on its clean air zone framework, and set out draft plans to implement these zones in Birmingham, Derby, Leeds, Nottingham, Southampton, but is likely to force several other city regions to implement these too (DEFRA 2016)
- There have also been calls for a new Clean Air Act – which IPPR have supported (Quilter-Pinner et al 2016)

17. **Encourage commercial car share schemes and electric vehicle uptake**

- *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. Commercial car sharing schemes are taking off in major cities over the world. These tend to be less polluting than other cars.*
There are several government schemes aimed at supporting the rollout of electric vehicle charging infrastructure, at people’s home and workplaces (OLEV 2016)

IPPR has argued that the future of mobility and reducing air pollution should be pursued together (See Quilter-Pinner et al 2016).

18. Establish a city-region energy company

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).

- As Laybourn-Langton (2016) sets out, there is a great deal of innovative activity in community energy – all the more important, as recent reductions in government subsidy make for a challenging market in generation

- Three key examples include Robin Hood Energy in Nottingham, Bristol Energy and Our Power in Scotland, who have offered lower tariffs than the larger companies (ibid)

- As Laybourn-Langton and Quilter Pinner (2016) set out, there are a number of considerations, such as cost, company structure, raising investment and measuring success.

- IPPR have previously recommended that the mayor of London establish an energy company (ibid)
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.

- Four of the six city regions soon to elect mayors have employment rates below the national average (ONS 2017).
- In addition, four of these city regions had unemployment rates higher than the national average (ibid).
- Many of these areas also have a high proportion of their population with no qualifications, and a low proportion of those with a degree-level qualification (ibid).

MAYORS SHOULD:

19. **Set up welfare a earnback company to secure job guarantees for the long-term unemployed**

*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.*

- The government’s Work Programme has not unlocked the innovation it was supposed to, and never committed enough money to resolve some of the difficult challenges the long-term unemployed face (Raikes and Davies 2016)
- This is not only extremely difficult for those trapped outside of work and in poverty, but also costs public money, as IPPR North have previously set out: “the annual tax-benefit saving for moving a single woman on employment and support allowance, living in council tax band C private rented sector housing in Southwark, who moves into a job paid at £8.25 per hour is £9,000 for a 20-hour week – enough to fund a wide range of employment support, provided that that sum can be harnessed” (ibid)
- An invest-to-save company, would see the public sector invest in a joint venture to pick those claimants where a tax-benefit saving is likely to result, on the basis that it would save those public agencies money (ibid).
- IPPR North has previously set out how this could work in greater detail (ibid)

20. **Roll out a city ‘challenge’ across early years, education and training**
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.

- Education – from early years through to lifelong learning – is rightly central to social inclusion and economic development. Early years interventions are known to be particularly effective, and education at all levels promotes these objectives (Field 2010, Clifton et al 2016).

- London Challenge, and similar programmes in Greater Manchester and the Black Country, have shown evidence of success: Kidson and Norris (2014) showed how it helped to raise the performance of London’s schools, with many rated outstanding and a far smaller attainment gap between pupils on free school meals and others in 2010.

- Ofsted also credited the scheme as having contributed to this success (Ofsted 2013 via Kidson and Norris 2014)

21. Enable health and social care collaboration and integration

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.

- There are numerous crises in both health and social care, which require concerted effort from all agencies: in December, NHS performance hit record lows, while the social care suffers from a lack of funding, poor quality and numerous workforce issues (Scott 2017).

- So-called ‘devo-health’ is happening in Greater Manchester, where the districts are working alongside health commissioners in partnership to pursue integration and cooperation around a number of core workstreams (Calvin-Thomas 2016). London has also started to take on some responsibility for health.

- Elsewhere, sustainability and transformation plans aim to integrate health and care within areas.
- IPPR has previously recommended that mayors be given more power over health, with some incremental changes first, and more significant changes in the long term (see Quilter-Pinner 2017)

22. Accelerate health innovation

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.

- Cities and their hinterlands are often thriving health economies, where universities undertake cutting-edge research, and – in close collaboration with businesses and hospitals – develop important new treatments, as well as economic growth (Raikes 2016b).
- There is evidence that health research benefits patients in hospitals where it takes place – there is an inverse correlation between NHS hospital research spend and mortality rates (Ozdemir et al 2015).
- IPPR North has previously recommended that commissioners pull through research into practice more efficiently than they currently do (see Raikes 2016b).

23. Work collaboratively to end homelessness

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.

- Homelessness gets worse every year in England:
  - Rough sleeping has increased year on year since 2010, and government counts (albeit offering an imperfect indication) showed that in 2016, 4,134 people sleep rough on any one night – more than double the number in 2010 (Fitzpatrick et al 2017).
  - There were 58,000 annual homelessness acceptances - 18,000 more than in 2009/10; many of these figures are considered conservative estimates (ibid).
  - There were 271,000 ‘local authority homelessness case actions’ in 2015/16 - a rise of 32 per cent since 2009/10 (ibid)
There are strong regional disparities however, with London seeing the biggest increases, while in the North acceptances have fallen since 2009/10 (ibid)

24. **Provide deposit guarantees, and take a ‘housing first’ approach to temporary accommodation**

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.

- Unsupported temporary accommodation is an increasing problem too:
  - Between 2010/11 and 2015/16 placements rose by 52 per cent (ibid)
  - B&B placements make up a small share (9 per cent) but these have risen by 250 per cent since 2009 (ibid)

- Homelessness has many complex causes, and the UK has taken a “treatment first” approach which prioritises resolving issues such as drug and alcohol dependency before moving people into permanent accommodation. However, there is increasing recognition that prioritising the provision of permanent housing can unlock significant progress in resolving related issues – this “housing first” approach has been taken in North America and parts of Europe, and in some cases in England, with widespread success (Bretherton and Pleace 2015). There are many facets to this approach: it is client-led, and housing is not made conditional on, for example, resolving drug and alcohol dependency (ibid).

- Several charities help people move into permanent accommodation by covering their deposit with a bond guarantee: for example the Bond Board provides deposits for people in Rochdale and Bolton (the Bond Board 2016).

- IPPR North has previously analysed the complex journeys of those in temporary accommodation, and recommended temporary accommodation boards are set up to improve the quality of unsupported temporary accommodation (see Maciver et al 2016).

25. **Co-ordinate landlord licensing**

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.

- The private rented sector now makes up 20 per cent of all households – more than the social rented sector (17 per cent) (DCLG 2017)
- This sector has the highest proportion of properties that do not meet the decent homes standard, with 28 per cent failing to meet these criteria (ibid)
- Selective licensing schemes were introduced in the Housing Act 2004, and allow local authorities to require all landlords within a designated area to meet certain standards.
- However since 2015 the permission of Communities Secretary has been needed if it is to cover more than 20 per cent of the geographical area or 20 per cent of privately rented homes (Lewis 2015).
- IPPR North has previously recommended landlord licensing – alongside a number of other interventions to improve quality in the sector (see Davies and Turley 2014)

26. Set up a social lettings agency

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.

- As already noted, the quality of private rented accommodation can be poor, while many struggle to move out of temporary accommodation (CLG 2016; Maciver et al 2016). In addition there are also many people and families who are unable to move into social housing, but struggle to access the private rented sector due to resources.
- Social lettings agencies have been set up across the country, although they vary in the way they operate, and this is a “broad umbrella term” for organisations help the homeless and those on low incomes to access the private rented sector (Anna Evans and Shelter Scotland 2015)
- IPPR North has previously recommended setting up not-for-profit housing agencies as part of a solution to these problems (see Davies and Turley 2014).
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, and 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.

- Mayoral models in Western Europe and North America have demonstrated important benefits for their citizens (Gains 2016).
- The model of governance soon to be established is unique, although it draws on developments with Police and Crime Commissioners and in London (ibid).
- While social and economic innovation are well-established as goals, there is an additional opportunity for democratic innovation and there are new initiatives set up to investigate how this could be developed further (Ibid, Perry 2017).

MAYORS SHOULD:

27. Support independent city-region scrutiny committees for key policy areas

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.

- Executive power requires robust checks and balance in order to be effective, and there are concerns that the current model won’t provide adequate scrutiny (Gains 2016).
- Areas with combined authorities already have overview and scrutiny arrangements – in the case of Greater Manchester this has been in operation for some time due to the pre-existing association of Greater Manchester Authorities (AGMA) at this level.
- There is an opportunity for this configuration to embed integration, or lead to “positive, creative tension” (Hammond 2017)
- But in order to both hold the mayor and combined authority to account, and to enable creative tension, these committees will need to focus on outcomes (Ibid)
28. Set up a citizens forum to provide input on specific areas

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.

- While people are engaged in political issues, engagement with the formal political processes has been falling over the long term, and people don’t feel empowered in the decision-making process (YouGov et al 2012)
- These mayoral elections are an opportunity for democracy to flourish, and around the world there have been a range of examples of democratic inclusion ‘beyond the ballot’ on which these mayors could draw (see Smith 2005).
- Deliberative innovations such as citizens juries, citizens councils or issues forums enable a higher quality of interaction, and help to enrich the debate (ibid).

29. Spend a small share of their funds through participatory budgeting

- 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 within a city, but many of the challenges of budgeting in this way have been overcome elsewhere. Participatory budgeting began in the Brazilian city of Porto Alegre. This has improved transparency and resulted in more investment in the poorer parts of the city (Smith 2005). It soon spread to cities across the country and in Latin America, and is now undertaken in more than 1,500 cities across the world (ibid; NYCC 2017).

- Notable recent developments include:
  - New York City Council has pledged at least $1 million to be spent in this way (NYCC 2017)
  - In Paris 158,000 people voted on how to spend €100 million in 2016 (NESTA 2016)
  - The Scottish Government has encouraged participatory budgeting, and pledged £530,000 match funding for 14 local authorities, and a further £2 million community choices fund to build on their work in this area (Scottish Government 2016b)
There is a great deal of evidence that this is an effective model of decision-making which, if done well, engages large numbers of people, especially the more marginalised (Smith 2005).

There are a number of different models and a range of evidence and experience which mayors could draw on (see PB Network 2017).

30. Reform their local enterprise partnership to include anchor institutions, alongside representatives from small businesses and employees

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.

The role of local enterprise partnerships varies across the country – some are the only public private economic development bodies in their areas, or are the only body spanning their functional economic area; others are less important – in Greater Manchester for example, the private sector has been involved in economic development at the city region geography for many years (Broadbridge and Raikes 2015)...

But there are some concerns about the extent to which these bodies are representative of the business community – smaller businesses aren’t felt to be as engaged as larger businesses, even by the LEPs themselves (NAO 2016).

Employee representatives sit on some LEP sub-committees – usually those involving skills and work – across the country (via the TUC) but this varies by region (TUC 2014).
THE NEXT WAVE OF DEVOLUTION

TOGETHER, MAYORS SHOULD:

Collaborate across their region and the country in order to push for further devolution and share best practice

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 UK remains one of the most centralised countries in the developed world, and the fiscal relationship between central and local government constrains local government significantly: most local authority budgets are made up of central government grants – of £95.4 billion spent locally, just over a quarter (26.0 per cent) is raised by council tax, and a further 12.5 per cent is raised from business rates (DCLG 2016); in total, local government raises only 4.9 per cent of all taxation (OECD 2015)
- IPPR North, and IPPR, have previously called for devolution across a broad range of themes. We have argued that the government:
  o Pursue a broad and sustained programme of devolution, with fiscal devolution at its heart (Cox et al 2014a; Cox et al 2014b)
  o Place devolution at the heart of its industrial strategy (Cox et al 2016)
  o Allow transport funding from all public agencies to be pooled at the level of the city region (Raikes 2016a)
  o Appoint local schools commissioners at the city region level (Cox et al 2014b)
  o Reward job creation that saves central government money (Raikes and Davies 2016)
  o Remove the cap on the business rate premium, and broaden its scope to fund improvements in the transport network that go beyond physical infrastructure (Raikes 2016a)
  o Assign the aggregates and landfill taxes to combined authorities (Cox et al 2014a)
  o Devolve ‘sin taxes’ to city regions (Quilter-Pinner 2017)
  o Devolve powers over council tax and business rates (Cox et al 2014b)
  o Allow local authorities to charge council tax on unbuilt homes to accelerate building rates (Snelling and Davies 2016)
o Allow combined authorities to set planning fees for local authorities across their city-region (ibid)

o 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 (ibid)

o Devolve the Secretary of State decision on workplace parking levies to local authorities (Raikes 2016a)

o Set up an independent body for local fiscal management with responsibility for overseeing central–local funding arrangements (Cox et al 2014b)

In addition to the above, this report recommends that the government:

o Devolve the secretary of state’s role in approving landlord licensing of greater than 20 per cent to Mayors. Landlord licensing is a vital tool for improving the quality of the private rented sector, and is a decision which should at least be devolved to the tier of government that best reflects a local housing market.

o Allow combined authorities to levy a hotel bed tax, which could be a significant source of funding for some city regions, and which many major cities in other countries do already, although they do tend to pay less VAT on hotel accommodation (Daley 2017)

o Roll out clean air zones, and allow the revenue stream to be spent by the Mayor – as noted above the government is likely to roll out clean air zones and while the revenue generated will not be significant or sustained, it should be spent locally on complementary activities.

o 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. In its recently published industrial strategy green paper, the government proposed setting up ministerial forums with Scotland, Wales and Northern Ireland, and invited their representatives to engage with the government on industrial strategy (BEIS 2017). This approach would overlook the different regional economies within England.

o Engage with combined authorities (with or without mayors) as they negotiate Brexit - it has become clear that the government is overlooking the interests of English regions through the Brexit process.
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