

Recommendations

Restoring Regional Productivity

- The UK government should commit to replacing the European Investment Bank's function with a British equivalent.
- Loans in England should be handled and managed by LEPs and strategic, upper tier authorities (or consortia thereof) in consensus.
- **The UK2070 commission on regional inequality should make a major focus of their enquiry how such a bank could avoid a political conflict with public sector debt through either open market borrowing or reformulating debt calculations.**

Creating Capacity for Local Leadership

- A ten-year spending review window should be issued for local government, to create time and space for fiscal devolution, in line with the Independent Local Government Finance Commission from 2015.
- **A Royal Commission should be established to determine the relevant criteria and develop a baseline funding formula which is resource rather than expenditure based.**
- From this, central government should establish a self-sustaining financial system for local authorities so that local areas have the flexibility to plan long-term without relying on ad-hoc and politically-motivated grants and funding streams.
- This could include trials of tourism levies, income, sales, road or corporation taxes and would be designed to eventually replace most of the revenue grants from central government.
- To support this long-term financial planning, councillors should be elected for a minimum of five years to match the parliamentary term and local government elections should take place as a single election campaign.
- In the short-term, and by the time of the next Spending Review, government should provide full details about the Shared Prosperity Fund, including:
 - how it will allocate by end of 2020 and framework for 2025 distributing expenditure;
 - how much will be distributed by end of 2020;
 - agree a simplified decision-making system that reduces bureaucracy;

- support offer for councils and regions, such as Cornwall, who heavily rely on EU funding to help them plan for the long-term.
- Remove the need for local authorities to hold a referendum to raise council tax at levels greater than those currently set by the Secretary of State for Housing, Communities and Local Government.
- Reinforce the move to full retention of business rates in the next Queen’s Speech.

Extending local state capacity

- The NHS long-term plan should be reformulated to ensure parity of numbers between CCG leaders and local government leaders, with a view to further integration once parity is established.
- Once CCGs and local authorities are establishing at parity, they should be combined so that CCGs become an accountable arm of the local state.
- Local authorities should employ a dedicated liaison officer to maintain ongoing dialogue with the Department for Work & Pensions (DWP).
- The Job Centre Plus’s Flexible Support Fund¹⁶⁷ should be expanded and devolved to give greater flexibility to local officers.
- The DWP should implement compensatory measures to sanctioning, where in the event of unjust sanctioning the claimant gets awarded a dividend the following month. This would incentivise the local authority/Jobcentre Plus for the DWP/LA/Jobcentre to stop indiscriminate sanctioning and pay more attention to the individualised cases.
- Skills Advisory Panels should be linked by regulation to local educational authorities, to codify collaboration between business, FE providers and local authorities, ensuring cohesive, capable skills provision across a locality.
- Collection and management of the Apprenticeship Levy should be devolved to these panels to be used for local strategic aims.

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