A large graphic of puzzle pieces in various shades of purple and blue, some containing icons like a person with a hard hat, a person with a wrench, and a briefcase. The pieces are scattered across the page, with some forming a larger shape on the left side.

CCN

COUNTY COUNCILS NETWORK

County Devolution **SUMMARY REPORT**

Our Plan for Government
2015-20

#CountyDevo

March 2015

www.countycouncilsnetwork.org.uk/county-devolution

Foreword - Cllr David Hodge, Chairman, CCN



The last six months have been some of the most exciting times to be a local councillor. Councillors want to make a real difference to the lives of our residents and create opportunities for their long term wellbeing. There have been many starts by Governments over the years at devolving responsibilities but despite the Manchester break, local government remains overly dependent on central government control.

Now is the time for real devolution to local government. Now, is the opportunity for the new Government to trust counties with options for real devolution.

The next Parliament from May 2015 must begin the process of decentralising Whitehall. Parliament should create the framework for the future of local governance that will allow better and more democratic decisions to be made for years to come. The opportunity to do more for our residents, our businesses and our communities is unparalleled, but given the challenges we face, the risks associated with failing to empower local areas are equally as profound for Parliament.

Our compelling case for County Devolution sets out that our economies are pulling the UK out of recession, but if a strong and sustainable recovery is to continue, and it must, we need a range of devolved powers to continue to support our enterprises and entrepreneurs.

Equally as important, our reports show that in county areas we need to fundamentally reform how we finance and deliver local public services, using County Devolution as the spur to achieve a vision of **One Place, One Budget** public services.

Counties need the fiscal freedoms and devolved powers to knit together strategic planning, infrastructure, skills policy, transport and investment to better support local economic priorities. We need to be empowered to shake-up local public services, driving integration across health, social care and joining up local providers. We also need the opportunity to become more financially independent, raising and retaining more of the proceeds of growth generated by our hard-working residents and thriving local businesses.

By showing our appetite to do more and demonstrating our readiness for further devolution within this document, counties are prepared for an honest conversation with Government regarding what form this devolution will take.

I would like to thank all CCN member councils and partner organisations, including Shared Intelligence and the Society of County Treasurers, for supporting the creation of this blueprint for a successful, devolved future.

We now look to the incoming Government to engage with our detailed proposals and set out an inspiring future for the county residents we represent.

A handwritten signature in white ink, appearing to read 'David Hodge', written over a large, stylized white circular flourish.

Introduction

The devolution debate has been raging across the Home Nations in recent months as a result of the Scottish Referendum.

CCN were at the forefront of demanding a more fundamental examination of the relationship between Westminster and the County & City Regions of England.

Our Plan for Government 2015-20, published at the time of the referendum, called for a new **English Devolution Settlement** to underpin a wide ranging set of radical policy proposals to be implemented by the next Government.

To build on *Our Plan for Government*, CCN has been engaging extensively with member authorities to develop our detailed devolution offer to the next Government.

There is a pressing need for counties to put forward a positive case for a wide-ranging devolution settlement for local areas, identifying what specific powers, budgets and fiscal responsibilities our member councils need to drive growth, reform public services, and improve local outcomes.

Equally, if not more important, is for counties to demonstrate their ambition and readiness for devolution. There is a need to dispel a number of myths commonly associated with the argument for devolution in county areas which questions the suitability, readiness, appetite and need for devolution in the areas that cover 86% of England's landmass.

Our members are showing flexibility and strong partnership working, drawing up plans for devolution and governance. Some counties are having detailed conversations regarding devolution options with Government.

Our *Interim County Devolution* findings and call for evidence supporting this project shows that counties not only have the growth potential and strategic capabilities to deliver more for UK PLC through a devolved settlement; the case for change in county areas and our members willingness to adapt and deliver are equally as compelling.

This document provides a brief overview of the Case for County Devolution; our proposals across Our Devolution Settlement for Counties; and describes how we can reshape Whitehall and achieve strong but flexible local governance arrangements.

This report, which is supported by a number of more detailed documents, outlines the unique case for devolution across a range of policy areas, and details the specific needs and potential of CCN member councils. Crucially, it demonstrates that our *offer* will deliver for the next Government and the local residents we serve.

There is no one-size-fits all solution for County Devolution and the types and scale of devolution demanded within this report will not happen overnight. But there is appetite, ambition and readiness to take advantage of the opportunities presented by devolution.

The Case for County Devolution

Our latest statistical analysis shows that counties continue to be the engine room of growth outside of London and are the most significant contributors to UK Plc. However, while county economies do generally perform well there are still areas of weakness and great potential.

Local public and private sector partners are doing the utmost to continue to support the recovery, but they are reaching the limit to what can be achieved within the existing local growth and decentralisation settlement between Whitehall and county areas.

Our economic case for County Devolution demonstrates three key facts for the incoming Government on why it must implement a radical Devolution Settlement for Counties.

Firstly, our analysis shows that counties continue to be the drivers of growth outside of London and are net contributors in employment and tax revenues. They contribute the largest proportion of GVA, 41% and represent 36% of GVA growth since 2007. They account for 43% of employment and more than 50% in key sectors such as manufacturing, motor trades and construction. Crucially, their businesses and residents contribute the most, including 49% of all income tax in England, 41% of stamp duty and 39% of business rates.

With this in mind, an arbitrary focus on only devolving substantial new powers and fiscal freedoms to cities to improve national economic performance will put at risk key economic objectives of the incoming Government, including securing long-term GDP growth, private sector job creation and reducing the fiscal deficit.

Secondly, with the UK economy relying disproportionately on growth in London, achieving the pledge by all major political parties

to 'rebalance' the economy fundamentally relies on county areas.

While the economies of the eight English Core Cities have a vital contribution to make, they remain relatively small in comparison to county economies. They also do not have the economic diversity that comes with the urban and rural mix of CCN member areas. The Government's own research shows that the importance of this diversity is set to grow over the coming years and will result in rural areas growing faster than urban economies.

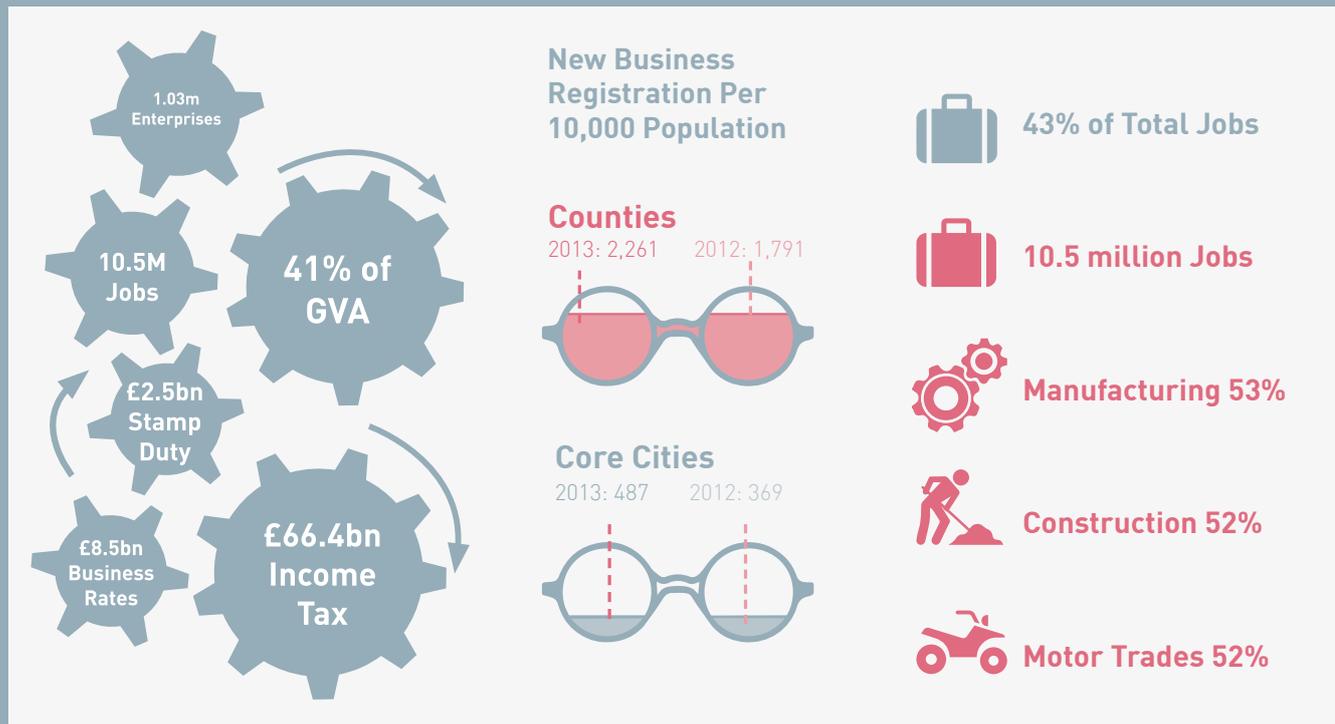
Thirdly, the UK's productivity continues to stagnate. In 2013 output per hour in the UK was 17% below the average for the rest of the major G7 industrialised economies, the widest productivity gap since 1992. Figures for counties show that their average productivity is 91, compared to the UK 100 Index. This is considerably below the average for London, at 122, and also the Core Cities average of 94.

There is a huge variance in performance between counties, some with internationally competitive productivity rates and some with the lowest rates in the UK. The five top performing counties average 113 compared to just 76 for bottom five performing.

Enhancing national productivity is widely regarded as the key to improving living standards. Addressing the long-term structural weakness of stagnating productivity and raising living standards will only be addressed by a concerted focus on improving the productivity of county economies.

A devolution settlement of fiscal powers and economic growth budgets for all local areas is clearly needed to capitalise on our economic potential and meet the unrelenting challenges facing UK Plc in a competitive global economy.

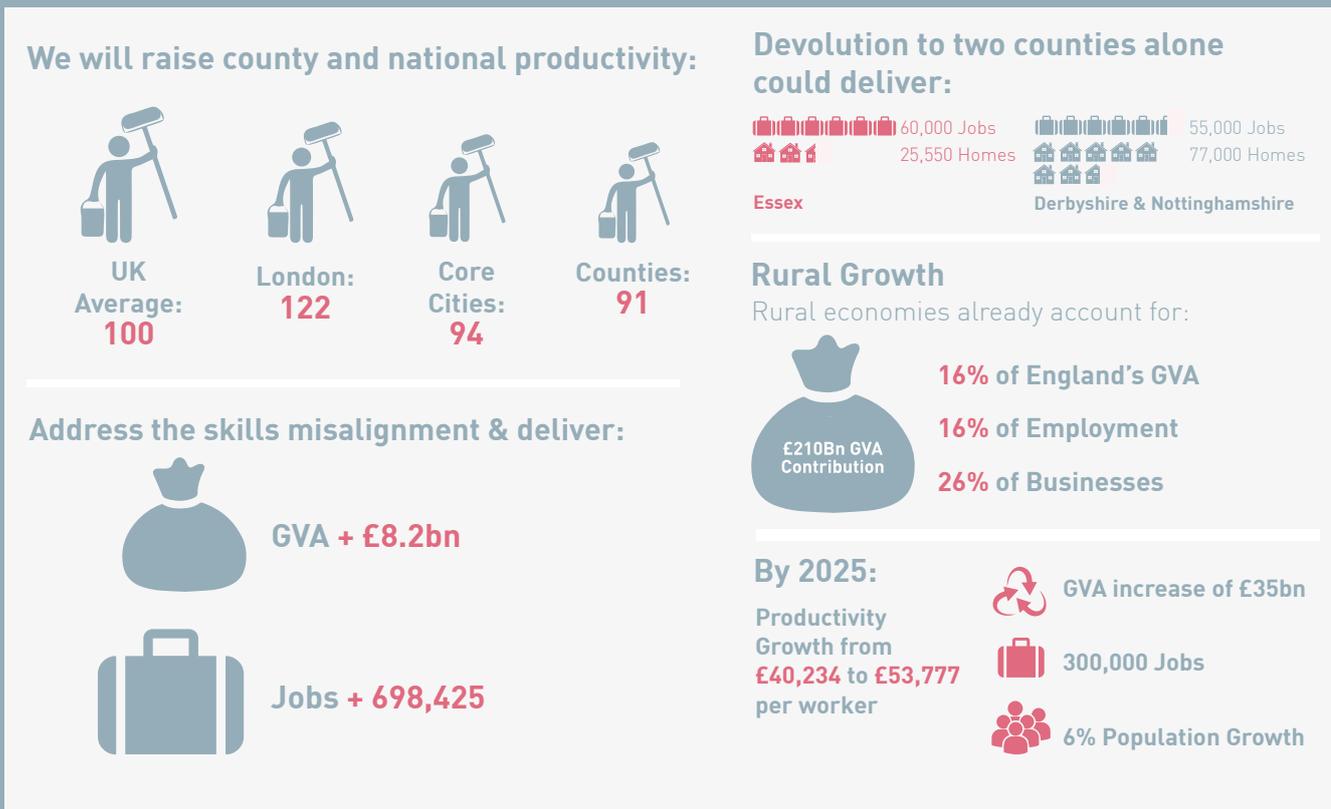
County economies already contribute:



Existing Government policy will deliver:



But we can do more.....



The Case for County Devolution

The UK faces a continuing need to make significant public sector savings at a time when demand and expectation for public services is rising.

Our analysis shows that without devolution enabling wide-ranging financial and public sector reform, county authorities will be unable to provide the services necessary to promote growth, protect vulnerable children, and care for our growing ageing population. Crucially, with county residents contributing more in taxes locally and nationally, they deserve a greater say over how *all* public resources are spent in their areas.

Our finance and public sector reform case for County Devolution demonstrates three key facts for the incoming Government on why it must implement a radical Devolution Settlement for Counties.

Firstly, the local government finance system is financially unsustainable following funding reductions and demand-led pressures. Grants per head are already lower in counties and have fallen a further 13.9% in 2015/16. Demand for services is also rising, with higher numbers of older people and demand on children services up 14.5%.

The current funding arrangements fail to reflect local needs and restrict councils from innovating, integrating and driving growth. Current funding streams such as the New Homes Bonus and Business Rates Retention also fail to incentivise local authorities to go for growth.

Only financial and administrative devolution, alongside specific funding reforms, will enable local authorities and partners to solve key social and economic problems tailored to each area's unique circumstances and needs.

Secondly, in common with the rest of local government, we want to rebalance the fiscal relationship between Whitehall and local

areas, with local government raising, retaining and spending more of its income locally. Our members want to bring decision making on public expenditure and the provision of services closer to local people.

There remains a strong redistributive and equalising role for Central Government in the allocation of national resources. However, our communities currently contribute the most both locally and nationally. Despite this, they have the least say over how resources are spent in their area. County residents deserve the opportunity to benefit from the proceeds of growth locally and have a much greater say over how *all* public resources are spent in their local area.

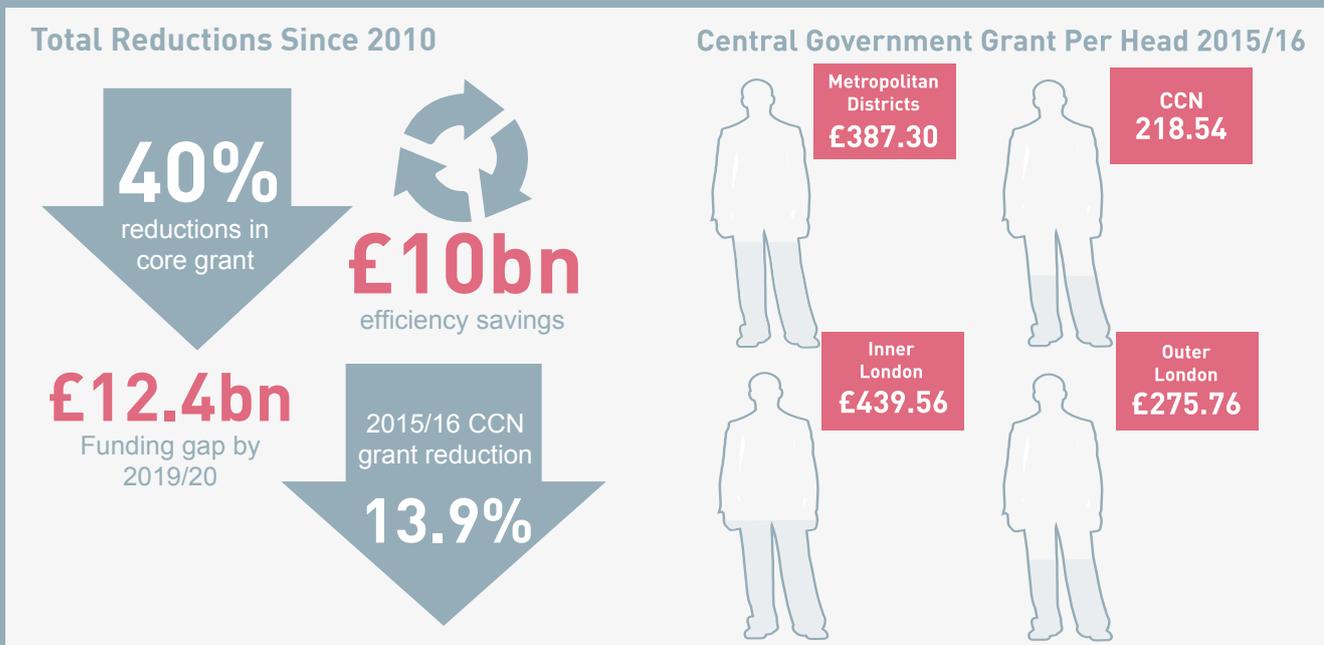
Through devolution and financial freedom, we need to provide CCN member councils with appropriate incentives, freedoms and specific fiscal measures to become more financially independent in the interests of their local residents.

Thirdly, local authorities need the scope to be able to take a holistic view of their services, tailoring economic and fiscal policies, and integrating and rationalising local services.

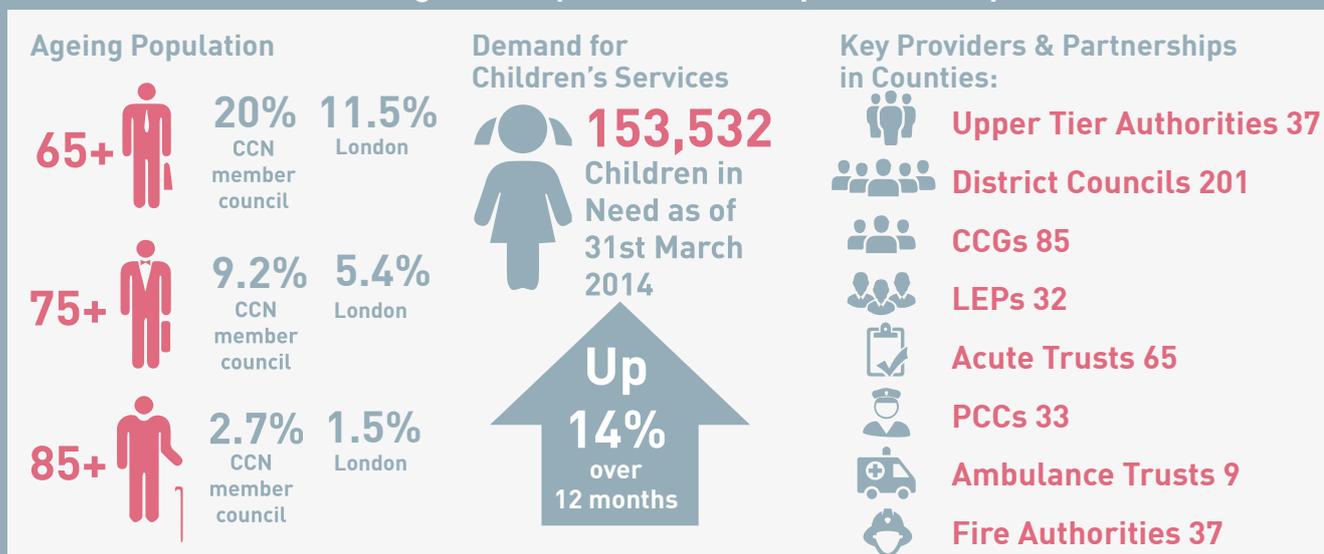
CCN believe that meeting the fiscal challenge requires a **One Place, One Budget** approach, with CCN member councils using their track record on public sector efficiency to drive cost savings in Whitehall budgets devolved to a local level. They must be empowered to reduce the complexity and cost of local public services across local areas, with Whitehall incentivising and actively promoting greater merging and integration of commissioning and service delivery.

The status quo on public services and local government finance is no longer sustainable if the UK is to meet its future challenges. Devolved powers and budgets, coupled with financial reform, would be a powerful tool for public sector reform.

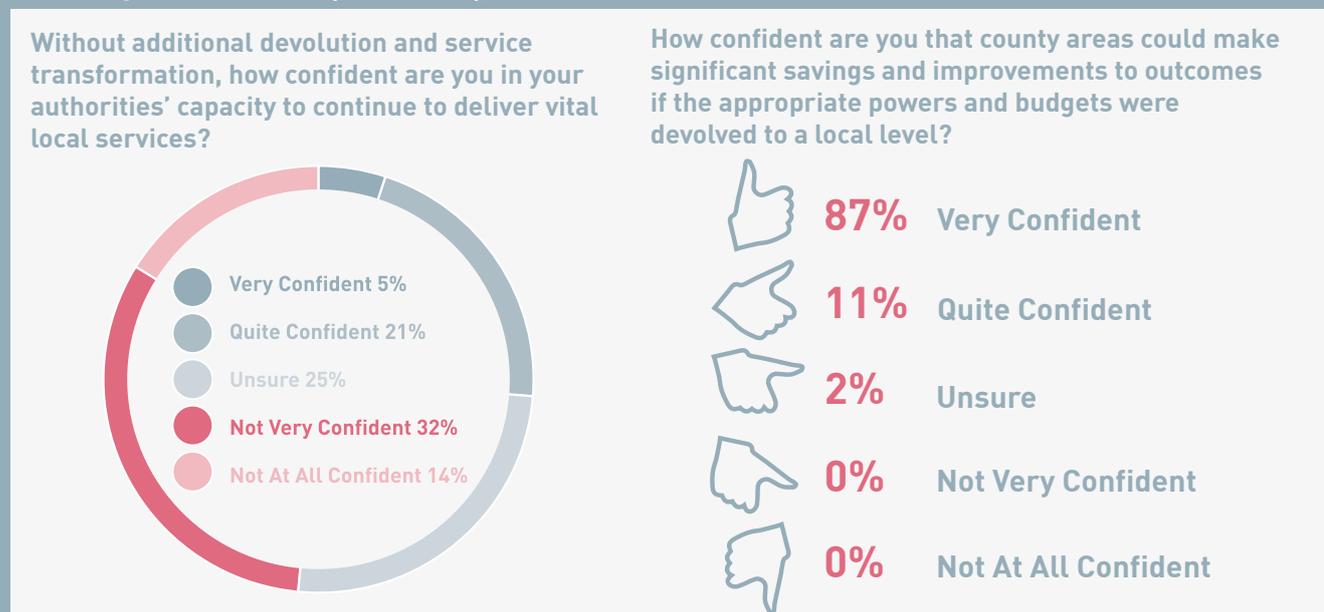
County areas facing financial pressures:



Demand for services is rising and the provider landscape is too complex:



Only devolution and public sector reform will enable counties to meet these challenges: Our survey of County Leaders and Chief Executives showed...



Governance

The evidence presented in our County Devolution project demonstrates that the level of centralisation in England is increasingly unsustainable. We need a fundamental review of the relationship between central and local government, underpinned by strong local leadership, governance and accountability.

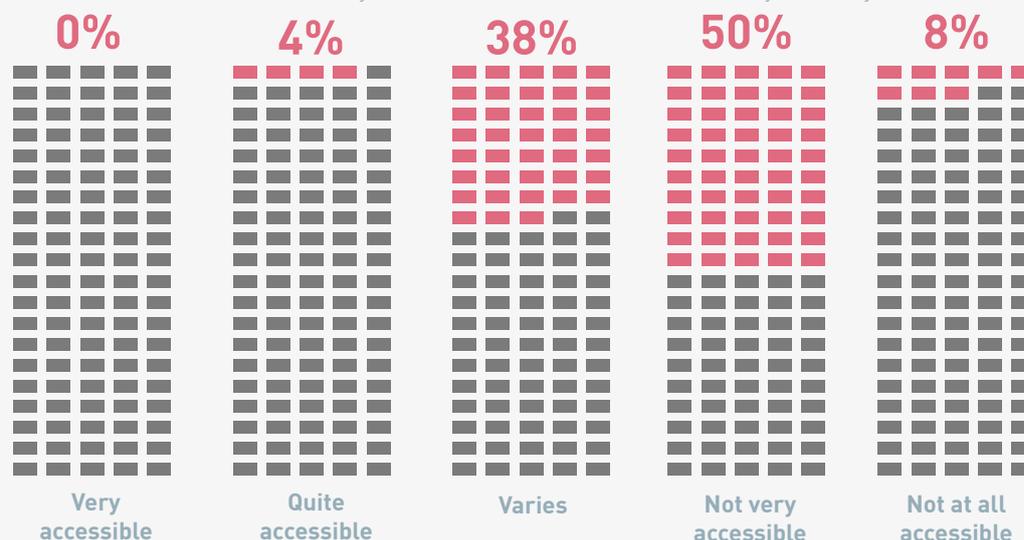
Many areas are already demonstrating this, putting in place or discussing enhanced arrangements. Given the variety of economic areas, geographies and administrative conditions across the country, it is understandable that varying governance models will need to develop. Combined Authorities may be an effective solution in many areas, but alternatives are needed elsewhere. The incoming Government will need to amend existing legislation and work with counties to develop alternative governance arrangements that enable a wide-ranging devolution settlement in county areas. We do not believe in a single governance solution; however there are a number of principles which we do believe should underpin decisions about governance and devolution.

Governance Principles

1. Legislation and Central Government policy should be **permissive and flexible** to allow local governance solutions to achieve the best results.
2. **Enfranchisement, improving outcomes and sustainable growth** should be built in to all governance legislation and policy.
3. Legislation and policy should be based on the principle of **subsidiarity** and bringing decision making closer to those it affects.
4. Legislation and policy should build in **strong political accountability** to all decision making affecting the public and use of public money.
5. Policy and arrangements should be built around locally valid and recognised **functional social and economic areas**.

Our survey of County Leaders and Chief Executives showed...

How remote or accessible do you feel Central Government is to you and your residents?



Governance Proposals

Enshrining localism

- The next Government to begin a process of codification of the roles and responsibilities of local government, enshrining devolved powers and budgets and fiscal and administrative independence.

Partnership working

- In the early stages of their administration, the next Government should make clear their policy regarding local government reorganisation for their entire Parliament as uncertainty may hinder local progress on strengthening two-tier working.

Local Enterprise Partnerships

- A review of LEPs to ensure rigorous political accountability and scrutiny mechanisms are built in and a review of boundaries where locally requested.

Public sector reform

- The new administration to make clear plans for devolution of health and social care to local areas either through enhanced HWBs, Strategic Health and Social Care Partnerships, or similar - whilst retaining local political accountability.

Combined Authorities

- Provision to allow the creation of public service boards and extension of the remit of CAs to allow a broader range of members, services and fiscal powers.

Public Accounts Committees

- Adoption of rigorous public accounts functions for local areas who take on substantial devolved budgets, whole place budgets or fiscal freedoms.

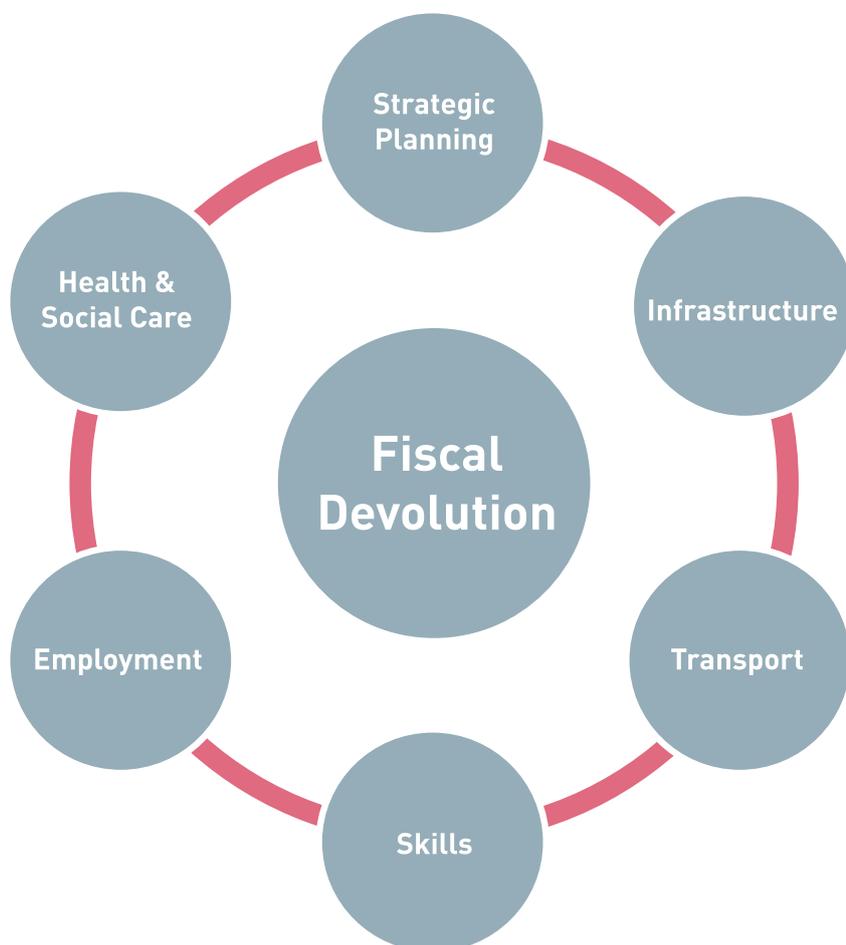
A Devolution Settlement for Counties

Building on the strong consensus for English Devolution since the Scottish Referendum, CCN are setting out a detailed menu of County Devolution options to be implemented as part of a wider settlement on English Devolution during the next Parliament.

All political parties appear to support an asymmetrical approach to Devolution in England – some places proceeding more quickly than others, and some places drawing down more powers than others. Counties broadly support this approach; the types and scale of devolution demanded within our Devolution Settlement for Counties will not happen overnight and will take different forms.

Whilst local authorities are at varying stages of readiness for devolution, we believe that a Devolution Settlement for Counties must continue to have a number of core elements devolved by default. This report outlines a set of core powers, flexibilities and fiscal freedoms, the majority of which should be available to all county areas. Areas could draw down these powers, budgets and fiscal freedoms, shaped to local needs, over time.

Additionally, ambitious partnerships should be able to bid for a more radical comprehensive devolution settlement for their area, encompassing a much wider range of powers and fiscal freedoms outlined in the following sections.



Fiscal Devolution & Timetable

Alongside a range of specific fiscal devolution measures explored in the following sections, counties wish to see comprehensive fiscal freedoms available over the course of the next Parliament.

- **Long-term Financial Settlement** – Long-term indicative budgets of at least five years for local government and potentially wider public services.
- **EU Structural Funds** – Fully complete the devolution of strategic control over EU funds.
- **Council Tax** - End the Council Tax referendum policy and grant the power to hold revaluations, review the number of bands and ratios from band to band, and set the tax rate.
- **Business Rate Retention** - 100% Business Rate growth should be retained locally in all areas. The Business Rate Review should establish whether the current system truly incentivises growth for counties through additional funding, and put in place a fair distribution between counties and districts in two-tier areas.
- **Stamp Duty** - Government should allow Stamp Duty Land Tax on all new dwellings built in a county area to be retained and reinvested in affordable housing and supporting infrastructure.
- **Fuel Duty** - Government explore the local retention of a share of Fuel Duty, negotiated on bespoke basis, to address specific local infrastructure and transport issues.
- **Comprehensive Earn-Back** – In addition to smaller specific earn-back deals for counties earlier in the Parliament, Government should explore how a proportion of centrally retained revenues and centrally accrued savings, including income tax and welfare savings, can be specifically designated or retained locally for investment in local services. The earn-back for local areas should retain a strong element of national equalisation but be linked to an area’s economic performance; tax contribution; and local efficiency savings.

2015/16	<p>Government set out plans for devolving certain core powers, budgets and fiscal freedoms by <i>default</i> to local areas</p> <p>Government to announce the first wave of <i>comprehensive</i> County Devolution Deals – with further deals proceeding over following years</p> <p>Legislation prepared to implement Grater Manchester Deal should be broad enough to enable all areas to utilise this provision</p> <p>First Wave of <i>comprehensive</i> County Devolution Deals set up in shadow form, to prepare for implementation</p>
2016/17	<p>First Wave <i>comprehensive</i> County Devolution Deals go live</p>
2017/18	<p>Government to announce second wave of <i>comprehensive</i> County Devolution Deals – with further deals proceeding over following years</p>
2018/19	<p>Second Wave <i>comprehensive</i> County Devolution Deals go live</p>
2019/20	<p>Government to begin process for codification of the role of local government</p>

Strategic Planning

County Devolution

A new approach to strategic planning is required to ensure that decisions relating to housing, infrastructure and growth are taken in an efficient and integrated manner. Recent government policy, such as the introduction of Local Plans, has sought to drive strategic decision making on planning decisions. There is little evidence to-date that the introduction of Local Plans, or the Duty to Co-Operate has improved strategic planning, particularly in two-tier areas. Financial incentives, such as the New Homes Bonus, have yet to provide a carrot for councils in two-tier areas to work more collaboratively.

The availability of land for development is also vital to accelerating the rate of housing construction in county areas. The public sector - including Government and local authorities - own approximately £370bn, a large quantity of which is situated in county areas. The next Government must consider how best to free-up local areas to deliver more homes for local people. Strengthening decision making at a strategic level on planning and on the development of public land are a starting point for devolution.

The advent of Combined Authorities, such as in Greater Manchester, has seen Government devolve powers and budgets to local authorities who have committed to working in an integrated manner with formal governance arrangements.

A number of CCN member authorities already have formal arrangements or agreements in place for strategic planning, such as Devon who have a co-operation agreement in place that includes all local authorities, the LEP and other partners in that area. There is no reason why government could not devolve the same powers and budgets to county areas for strategic planning as have been devolved to Combined Authorities.

Per Head Stamp Duty Yield on Residential Property:



There has been a

46%

reduction in budgetary spend on planning and development services in single tiers and county areas from 2010-15.

Devolution Proposals

Budgetary certainty

- Strengthened strategic planning powers at a county level.
- Establish Housing Investment Funds for a period of 10 years.

Sub-Regional Strategic Plans

- Strategic Spatial Plans should be introduced at a county level to agree the housing numbers for the area and supporting infrastructure that will be required to facilitate them. These should be democratically facilitated by top-tier local authorities.

Incentivising partnership working

- Government review and revision of key housing related incentive mechanisms, such as New Homes Bonus, to ensure they promote collaborative working and accelerate housing construction.

Rewarding faster rates of construction

- Government should allow Stamp Duty Land Tax on all new dwellings built in a county area to be retained and reinvested in affordable housing and supporting infrastructure.

Local control of the public estate

- Decision making powers and budgets relating to government owned public land and property devolved to strategic county areas.

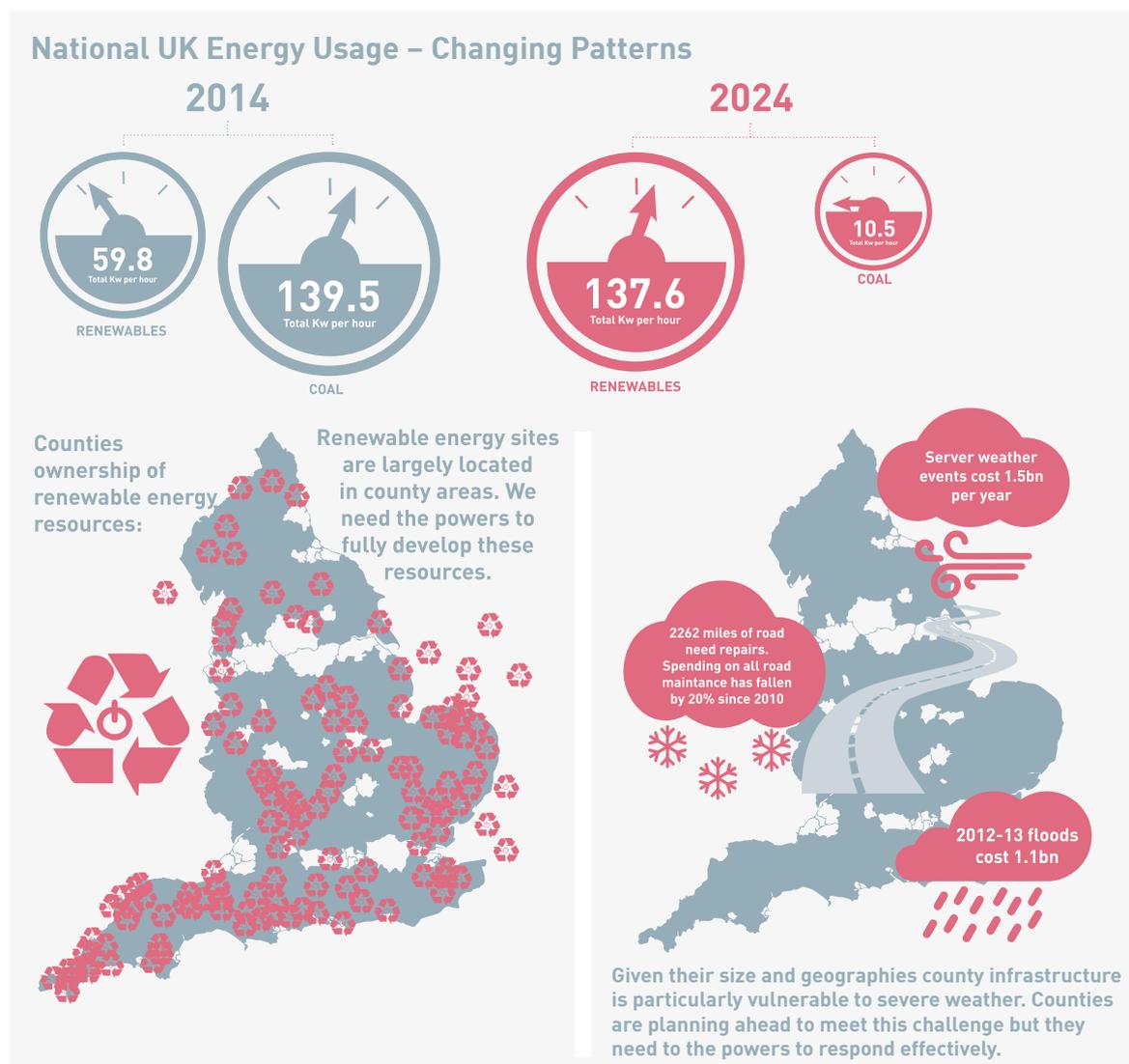
Infrastructure

County Devolution

Counties have traditionally held a major role in shaping and delivering strategic infrastructure that supports local growth and connectivity. However, current arrangements have reduced counties capacity to deliver a common agenda on infrastructure across a range of local partners. This is despite the Government's stated focus on involving local decision-makers and a strong desire from the counties themselves to do more.

There are a range of the specific types of infrastructure, such as roads, broadband and energy that counties could improve through devolved budgets, powers and flexibilities. Given the UK's strategic infrastructure challenges, including the need to build greater resilience into strategic infrastructure and manage the ongoing transitions within our energy grid, counties need the powers to anticipate and respond to the challenges affecting their communities.

More strategically, counties should have the capacity to form a common agenda with a full range of partners to deliver their infrastructure goals at both a county and sub-national level. This would be achieved with the creation of integrated infrastructure strategies, shaped by the priorities defined by Local Economic Plans and funded by devolved budgets and fiscal freedoms.



Devolution Proposals

Greater consultative and directional powers over the strategy and focus of infrastructure development

- Induce independent economic and energy regulators to work with counties as strategic planning authorities, removing the duplication of planning processes and speeding up the delivery of infrastructure that meets local needs.
- Strengthen the voice of local stakeholders in infrastructure planning decisions to ensure investment is aligned with Strategic Spatial Plans. This would include making counties' role as a strategic planning authority a material consideration in the identification and delivery of investment priorities by central government agencies and the creation of a duty to cooperate for utility companies providing strategic services.

Flexibility to deliver infrastructure solutions suited to local needs

- Flexible arrangements to proactively identify critical infrastructure gaps and instances of market failure before directing resources to address them. This would include the reform the Community Infrastructure Levy to incentivise the cross-subsidisation of infrastructure within and across county boundaries via the transfer of resources.
- Bespoke connectivity solutions, including financial arrangements, suited to local needs, particularly the introduction of greater flexibility into the roll out of broadband infrastructure.
- Flexibilities to create fiscal arrangements to direct tax revenues, including Business Rates, Stamp Duty, charges and revenue from energy sites, at clearly defined local infrastructure priorities.

The option to create county level Integrated Infrastructure Strategies

- Create Integrated Infrastructure Strategies and Strategic Spatial Plans with the capacity to integrate infrastructure within county boundaries or across a number of county areas as required.
- Improve the alignment of transport infrastructure and services to ensure local road, rail and other strategic infrastructure mesh with county growth priorities.
- Mechanisms, in addition to the Integrated Infrastructure Strategies, for defining strategic investment priorities across boundaries, particularly regarding investment in transport, digital and energy infrastructure, alongside the location of new developments. There should be flexibility for counties to create their own effective funding arrangements for infrastructure matched to these priorities, including bond issuance and the pooling of devolved funding.

Transport

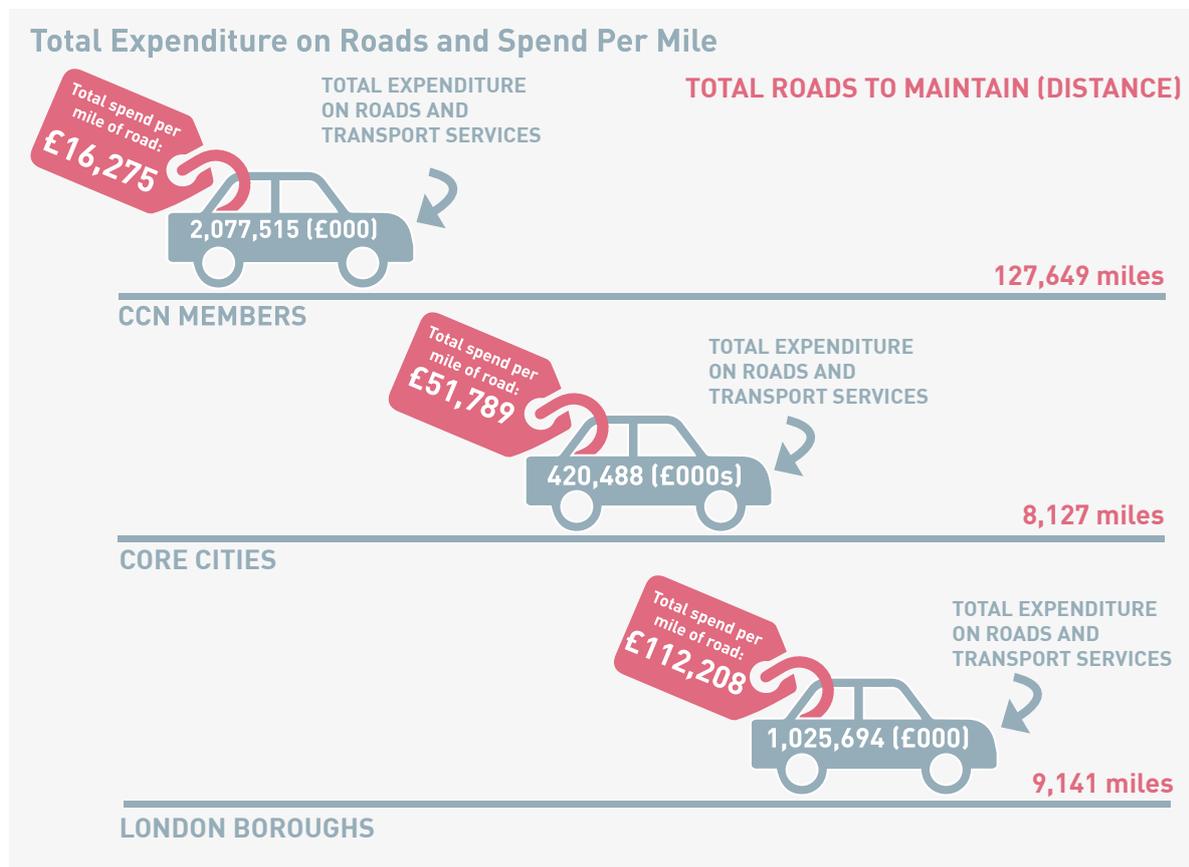
County Devolution

The pressure on the UK's transport network is growing year-on-year, particularly in county areas with their exposure to the impact of severe weather, large geographies and challenging demographics. The transport network in county areas must allow for an increasing number of journeys at a time when spending on highway maintenance and other transport infrastructure is under sustained strain. To meet these pressure counties must be freed to work differently.

Transport policy in county areas is a vital component of local economic planning, though it is an area where the mechanisms counties have to influence local outcomes are sharply contrasted with those available to other strategic local authorities. London in particular exercises far greater control over its public transportation than other areas and has by far the most successful public transport in England.

There is a clear need to devolve powers that would free counties to innovate. This would include the capacity to create integrated smart transport networks shaped to functional economic areas, work across county boundaries and to explore new transport franchise arrangements to ensure local transport networks are best suited to local needs.

Freedom to adapt to local transport provision to suit local circumstances is also paramount, including the opportunity to use local transport partnership arrangements to source financing for investment and potentially create travel consortiums to facilitate strategic linkages across county boundaries.



Devolution Proposals

Devolved powers and budgets necessary to integrate and transform public transport and transport networks

- Greater devolved control of public transport, including the capacity to instruct operators to work towards integrated ticketing across their functional economic area in line with smart transport card technology. All rail station and route planning proposals would also have to take material consideration of local transport priorities.
- Devolved control of local transport budgets including decision-making on funding for concessionary travel, control of public transport fuel subsidy and the Bus Service Operation Grants.

The control of local transport policy should be devolved to the strategic level local communities feel best fits their needs

- Stronger consultative powers regarding UK travel infrastructure funding to ensure that it accurately targets local transport needs and addresses strategic challenges like traffic congestion.
- The flexibility to create fully empowered County Integrated Transport Authorities or similarly empowered Local Transport Bodies or other local arrangements at a county or cross county level to address strategic transport priorities. These local arrangements, whatever their composition, should be enabled with appropriate devolved transport powers to anticipate and address local priorities, sub-national challenges and transitions in how resident use the transport network.

Funding flexibility and fairness

- The removal of artificial incentives or barriers surrounding transport funding combined with a 10 year funding horizon to ensure long-term plans deliver value for money.
- Freedom to seek market solutions for transport investment and direct revenues from traffic management & parking schemes towards toward transport priorities.
- Freedom to lead on the strategic development of devolved 'operational programmes' to access EU regional development funding and direct it to county transport priorities.

Skills

County Devolution

The skills system is driven by learner demand, but too often learners' decisions have not been informed by rigorous advice and guidance. Often learners are guided by current provision, which continues to be offered due to historic demand. As a result training is not preparing people to fulfil their potential within current and future labour market realities.

The distribution of Government funding follows this cycle and perpetuates this inertia. Additionally skills and economic needs are different in different localities. Centrally designed and administered policy and programmes are not adequately addressing these varying needs.

Addressing the UK's systemic skills mismatch could have a big impact on some persistent challenges for the country's economy. Equipping people with appropriate skills will be central to increasing productivity, reducing youth and long term unemployment, ensuring sustainable economic growth and reducing demand on public services across the country.

Although counties generally perform well in terms of skills there is still huge potential which could be unleashed through empowering local areas. A comprehensive skills devolution and decentralisation deal should be made available to all areas of the country.

County Skills Gap



Skills gap: Hair and Beauty: **around 44,000** people training, for **around 4,200** vacancies, a ratio of over **10** people training per job.



Skills gap: Building Services and Engineers: **around 17,000** people training for **around 27,000** vacancies, over **one third** of these high value jobs are not being trained for.



Addressing the skills misalignment within counties could... **add approximately £8.17 billion** GVA to the country's economy and support **698,425 more people into jobs.**

Devolution Proposals

Devolved power to reshape post-16 skills provision

- Devolution of the Adult Skills Budget to local areas.
- Funding allocations for providers of post-16, vocational study should be determined by local partnerships to meet local economic growth priorities.
- Local partnerships should be empowered to shape the Further Education loan system, incentivising the completion of training and qualifications along local business and economic priorities.
- Budgets and powers to allow local partnerships to support local businesses to maximise the quality and quantity of apprenticeships and ensure the suite of provision anticipates future economic needs.
- Traineeship budgets should be devolved to the local level, so that they can be best targeted to support vulnerable people and meet economic priorities.
- Endorsement by government of a stronger approach to joint collection and sharing of skills, employment and labour market information.

Power to oversee and strengthen careers advice

- Local partnerships should be empowered to strengthen and shape the duty placed on schools to provide careers guidance.

Real local control over European Social Funding

- Local partnerships should be granted the flexibility to use ESF monies to address local needs, rather than deliver to prescriptive national frameworks and restricted operational processes.

Employment

County Devolution

Recovery has taken place in the years following the recession, with national unemployment levels now below the 6% mark. However, there remain some fundamental issues which need to be addressed, including long-term and youth unemployment, complex needs and deprivation.

These issues exist both in city and county areas. Although counties perform relatively well in headline terms, they still struggle with poorly performing areas and demographics. They hold some communities of complex need, real deprivation and structural unemployment.

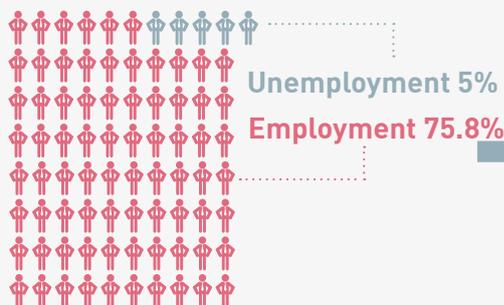
Additionally Government initiatives such as the Work Programme and Youth Contract are failing to deliver outcomes for certain demographics, particularly vulnerable people and those on Employment Support Allowance.

Youth and long-term unemployment put strain on the economy and public sector, and limit people's life chances. The current top-down model is not delivering. County areas have shown that approaches tailored to local needs have the ability to deliver, in a way that centrally designed and administered programmes have not. With appropriate empowerment counties have huge opportunities to secure young people's futures, bring long-term unemployed people back in to work and address areas and demographics of complex need.

CCN are calling for a comprehensive devolution settlement for England. This includes joint commissioning of employment services between local areas and Government Departments, empowering local areas to bring partners and services together in a place-based approach and devolving budgets to allow local areas to directly improve outcomes.

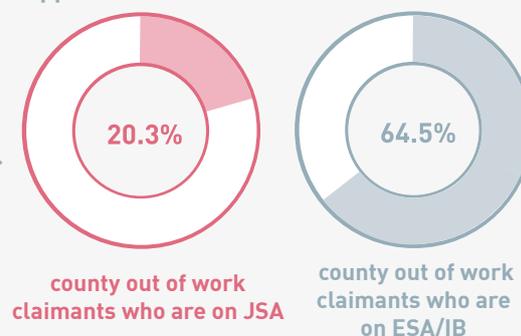
HEADLINES

Counties have the lowest levels of unemployment and people claiming out of work benefits, however...



BELOW THE HEADLINES

...counties have a high proportion of claimants who are on Employment Support Allowance.



Generally counties have low levels of young people who are NEET, however...



...the levels of vulnerable young people who become NEET in county areas is still too high.



Devolution Proposals

Joint commissioning of future welfare to work programmes

- Local partnerships should be joint commissioners with the Department for Work and Pensions of the next phase of the Work Programme to help tackle long term unemployment.
- In preparation for this, and in the interests of improving outcomes as soon as possible, local areas should be allowed to work with the current providers to join up services and better tailor support for those furthest from work.

Place-based approach to meet complex need around unemployment

- Roll out of comprehensive place-based approaches to address complex need around unemployment. This would be designed to complement welfare to work, for those who are furthest away from work.
- An imperative for Jobcentre Plus (JCP) to align planning and services with other public services and any local skills partnership.

Local reward for reducing unemployment

- Local Government or local skills partnerships should be allocated a proportion of the savings made through supporting people back in to work, particularly those who have been long-term unemployed.

Devolution of budgets for supplementary employment and skills initiatives

- Funding for time-limited national skills initiatives should be devolved to local partnerships to allow a joined up and targeted approach.

Health & Social Care

County Devolution

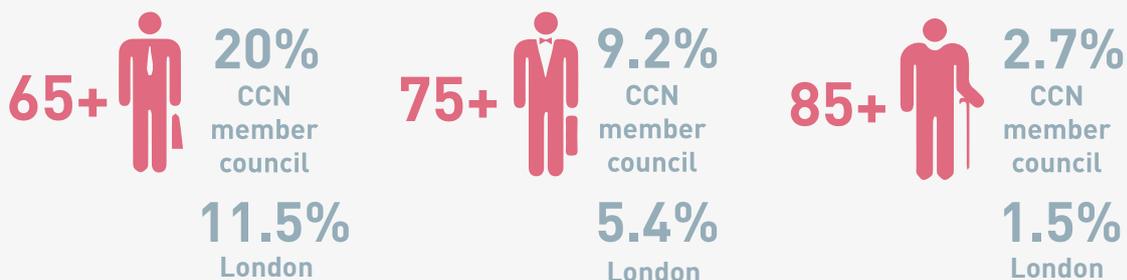
The future provision of adult social care in England is one of the most pressing public policy challenges facing an incoming Government from May 2015. A recent inquiry by the County All Party Parliamentary Group (APPG), CCN & Local Government Information Unit (LGIU) into integrated care and support found that the pressures facing county health and social care systems are both greater in magnitude and more complex in origin, requiring a radical approach to service integration at a local level.

Its key findings showed that the biggest barrier to achieving integration in county areas remains 'the massive disparity between a highly centralised NHS and a localised social care model'. It concluded decisively that the only answer to ensuring a sustainable, outcome focused, health and social care system was by extending the principles of localism and devolution to the integration of care and support. Recent announcements in Greater Manchester that the entire £6bn health budget will be devolved to the region's local authorities and health providers is a game changing moment on the future of health and social care.

If the case for devolution in Greater Manchester can be made where current demand is less acute, geographies and service provision less complex and future pressures less severe, why not in county areas? A county devolution settlement must explore the decentralisation of the NHS and devolution of greater health and social care powers to local areas. There should not be no a one-size-fits all approach in achieving this devolution. Our counties with their unique demand pressures and health economies require specific devolution proposals across health and social care.

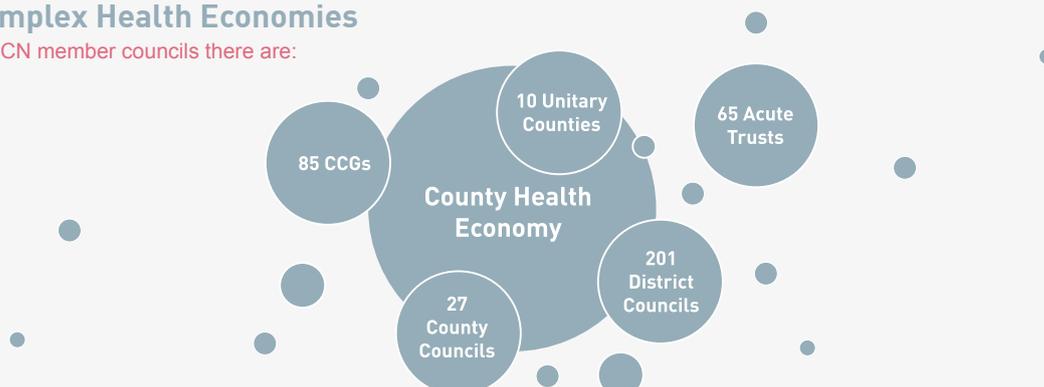
County Demand-Led Pressures

Ageing population



Complex Health Economies

In CCN member councils there are:



In London there are 32 CCGs & 14 Acute Trusts.

Devolution Proposals

Devolved budgets & performance management

- Expanding but reforming nationally led pooled budgeting for those councils who choose to continue working in this way. A pooled health and social care fund of at least £7.8bn should be established by 2019/20.
- Freedom to opt out of any continuation of the BCF, agreeing a larger or entire locally pooled budget as part of a Health & Social Care Deal, or wider devolution package, supported by the removal of all restrictions on pooled budgeting and a ten year shared financial settlement for health and social care.
- Local partners are given greater freedom to agree robust, transparent and accountable performance management frameworks at a local level with DoH, CLG and NHS England in line with a new shared outcome framework for health and social care.

Enhanced commissioning and financial powers for Health and Wellbeing Boards

- HWBs are enabled to commission primary, secondary health and social care services. Powers to scrutinise and align commissioning plans of CCGs should also be strengthened. HWBs who take on these new powers should be delegated budgetary responsibilities.
- Provide the freedom and flexibility for local authorities to employ health professionals and to deliver a range of health services where appropriate to the area.
- Local authority partners consider the pooling or delegation of specific housing and health related services, such as DFGs, to the most appropriate strategic level.

Empowered leadership, reformed governance and direct democratic accountability

- HWB governance is revised to allow the establishment of Boards as independent commissioning bodies in their own right.
- Local authorities conduct a full review of their membership of HWBs, ensuring sufficient representation from the full range of partners, particularly acute trusts.
- To achieve visible, strong leadership, Council Leaders should be the default Chairman of Boards that adopt additional powers and budgetary responsibilities.
- Local partners are given freedom to review and rationalise CCGs and their boundaries, seeking coterminosity with local authority boundaries where possible.
- Partners are given greater freedom and flexibility to explore how HWBs interact within wider governance arrangements, including Combined Authorities, with Government reforming legislation where necessary.

CCN

COUNTY COUNCILS NETWORK

Founded in 1997, the County Councils Network (CCN) is a network of 37 County Councils and Unitary authorities that serve county areas. We are a cross-party organisation, expressing the views of member councils to the wider local government association and to Central Government departments.

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If you would like further information on CCN, including the latest policy briefings, publications, news and events, please visit our website at www.countycouncilsnetwork.org.uk

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