West Midlands in Context

Issue 20, February 2018

West Midlands in Context highlights a broad mix of reports, statistics and other material that has something to say about the West Midlands or that help provide a wider context to the work of councils and other organisations in the region.

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In this issue:

- Fit for the future? - How committed are LEPS, combined authorities and core cities to the climate change and low-carbon economy agendas? Sustainability West Midlands puts us in the picture
- Locked out - Housing round up
- More productive, in work, but hard-up - Recent reports shed light on the region’s economy and living standards
- Round up - Local childhood poverty rates, devolution progress report, Environment green paper and more
- Consultations and calls for evidence
Fit for the future?

How committed are LEPS, combined authorities and core cities to the climate change and low-carbon economy agendas? Sustainability West Midlands puts us in the picture.

Intended to help local enterprise partnerships (LEPs), combined authorities and core cities integrate climate adaption, mitigation and the low-carbon economy into their economic strategies and investment, Sustainability West Midlands recently published their Fit for the Future reports containing good practice studies, benchmarking tables, maps and recommendations.

The first of the reports focuses on local enterprise partnerships (LEPs), while the second covers both combined authorities and the Core Cities. Supported by the Department for Business, Energy and Industrial Strategy (BEIS) and the West Midlands International Service, the reports were completed last year but only recently published.

For those who have not come across them, Sustainability West Midlands (SWM) is a not-for-profit company. It is recognised as the sustainability champions for the region by the Government and acts as independent sustainability advisors to a host of organisations across sectors and across the West Midlands.

LEPs stay together?

Despite finding there was a need for greater certainty, clear guidance and resources from government on what is expected from LEPs in terms of climate change, SWM emphasised that there is a good range of local good practice. In benchmarking the areas the study looked at the commitments made by the LEPs to climate change adaptation, climate change mitigation and the low-carbon economy based on a review of their latest strategies and interviews with key individuals. Assessed this way, across the 38 LEPs, SWM found performance to vary considerably. Generally, however, promoting the low carbon economy was found to be the most strongly integrated within leadership, strategy and delivery structures, while the weakest was climate adaptation.

Taking the three main themes of climate change adaptation, mitigation and the low-carbon economy tougher, the best performing area was the Greater Manchester LEP. The highest ranking of the West Midlands’ LEPs was Worcestershire which, falling into the “good evidence” of commitments category, was ranked 11th. Sticking closely together were Greater Birmingham & Solihull in 23rd place, followed
by The Black Country (24th), Coventry & Warwickshire (26th), and Stoke & Staffordshire (29th). The Marches were ranked in 35th place. All the West Midlands LEPs fell within the “some evidence” category. Performance could vary however, when looking at the individual themes. For example, Worcestershire moved up to third place and Coventry & Warwickshire fell to 38th and last place when assessing just climate adaptation.

Some cities
Core Cities UK is a group of ten major cities that work together on a range of issue of common interest. For these cities SWM benchmarked progress against a number of activities including Sustainable Energy Action Plans, local energy devolution and City Deals, assessing their progress from the publicly available evidence of commitments and projects as well as through interviews.

In addition to topping the overall ranking, Manchester came in first place for its commitments to climate mitigation/carbon reduction and for the low-carbon economy. The report notes that this was largely due to “their extensive and integrated approach ... at local authority, LEP and combined authority level”. Birmingham, the region’s only core city, performed relatively poorly, being ranked eighth overall, seventh for its commitment to climate adaptation and ninth for both commitments to climate mitigation/carbon reduction and for commitments to the low carbon economy.

Combinations unlocked
For their work on combined authorities SWM used a broader range of sustainability criteria drawing on a wider range of social, environmental and economic considerations. Overall, Greater Manchester came out on top, scoring well with “good practice” and “evidence” across the themes. The report noted their “strong commitments across areas such as fuel poverty, carbon emissions, low carbon business support, renewables and low carbon transport”. The West Midlands Combined Authority also performed well and was the second best performer overall, having good evidence of commitments on four of the six sustainability criteria.

Where next?
There was a wide range of recommendations made across the two reports. Among these is the need to improve peer support between the better and poorer performing LEPs. The good practice examples provided in the reports should also assist in this. As a flavour of some of the other recommendations, SWM suggested that the national organisations could work together to produce a “mutually beneficial support package” for LEPs. Elsewhere SWM recommends that there should be a mandatory mechanism
so that LEPs must publish an annual report and that combined authorities should be required to define carbon emissions targets and report on progress as a requirement for devolution deals. Funding, as ever, is an issue and, alongside calling for more information and guidance, they suggest more transparency is needed about how the low-carbon and climate change aspects of EU funding will be replaced, also noting the opportunity for any new funding schemes to be made more flexible post Brexit.

Sources:

- **Sustainability West Midlands** - Fit for the Future II, January 2018
- **Sustainability West Midlands** - Fit for the Future, January 2016
January saw the creation of the new, national, housing agency, Homes England. As successor to the Homes and Communities Agency, the Government is expecting the agency to play a major role in “fixing the housing market to deliver an average of 300,000 homes a year by 2020”. With the Local Government Association (LGA) noting that “the last time this country built more than 250,000 home a year, councils built more than 40% of them”, the LGA are calling for a “genuine renaissance in council housebuilding”. Of course, as a number of organisations point out, there’s more to meeting housing need than the simple number of homes that are built. West Midlands in Context takes a look at some recent housing related publications that shed light on the issues.

Locked out

One of the groups to suffer most from the changing nature of the nation’s housing market has been young adults. A report this month by the Institute of Fiscal Studies (IFS) shows the extent homeownership rates have fallen for young adults over the years. Among their key findings, the IFS reported that “today’s young adults are significantly less likely to own a home at a given age than those born only five or ten years earlier”. Indeed, they stated that “at the age of 27, those born in the late 1980s had a homeownership rate of 25%, compared with 33% for those born five years earlier (in the early 1980s) and 43% for those born ten years earlier (in the late 1970s)”.

Within this fall, the decreases have been most pronounced for those on middling incomes. For 1995/96, for example, 65% of 25-34 year olds on middle incomes were home owners, however, twenty years later this figure had fallen to 27%. As might be expected, the key reason has been the increase in house prices relative to income. The IFS noted that in those twenty years, adjusting for inflation, house prices had risen by 152% while real net family incomes had increased by only 22%.

It also seems that, young adults from more disadvantaged backgrounds are less likely to own their own home. For 2014-17, 30% of 25-34 year olds whose parents were in a “low occupational class” such as sales assistants or delivery drivers, owned their own home. This compared to 43% for those whose parents had a high occupational class, such as lawyer or estate agent. The IFS found that even after controlling for the type job the young people had and other characteristics a difference remained, albeit one substantially reduced to around 3%.
Overlooked

While much attention is focused on the travails of the young in finding housing, problems at the other end of the age spectrum are perhaps a little overlooked. The Communities and Local Government Select Committee, however, has been attempting to make sure that this is not the case. In launching their report into older people’s housing, the Committee Chair Clive Betts said “it’s vital that the link between housing and health and social care is recognised”. As such they call for the Government’s forthcoming social care green paper to consider, among other things, the range of housing for older people, in particular “the potential for extra care housing to play a greater role in providing social care alongside home care and residential care”.

More generally, the Committee calls for a national strategy, drawing on their recommendations, which “brings together and improves the policy of housing for older people”. Among their other recommendations were the expansion and “re-funding” the existing First Stop Advice Service, to provide a holistic housing advice service for older people; expanding the coverage of Home Improvement Agencies (HIA), so there is access to at least one HIA with a handy person in each council area; removing barriers to older people moving home, such as though increased access to shared equity and shared ownership, and better customer service and guidance from mortgage lenders. The Committee also recommended that all new homes should be required to be “age proofed” through Building Regulations so that they can meet the current and future needs of older people.

National Planning Policy Framework

The report also had plenty to say about planning, calling for the National Planning Policy Framework to be amended to emphasise the importance of older people’s housing. In this vein they also suggested the new standard approach to assessing housing need should also explicitly address older people’s housing needs. In addition, they recommended a new planning sub-category, or use class specifically for specialist housing. For councils, they propose a requirement to produce a strategy “explaining how they intend to meet the housing needs of older people in their area and, in their local plans, identify a target proportion of new housing to be developed for older people along with suitable, well connected sites for it”.

Right to Buy in the red

In responding to the report, the Local Government Association (LGA) took the opportunity to call for councils to be given the “tools” to the build homes “that meet the health needs of their older residents”. These tools included the freedom to borrow and invest in building new housing and the ability to retain all the receipts from their Right to Buy sales so that they can replace all the homes that have been sold.
Indeed, Terrie Alafat, Chief Executive of the Chartered Institute of Housing (CIH) said in January that the Right to Buy scheme was undermining efforts to provide “genuinely affordable homes for people on lower incomes”, supporting the view that councils should be able to keep all the receipts from sales.

Indeed, this month the LGA warned that the Right to Buy scheme has become unsustainable and “risks becoming a thing of the past” unless councils are given the powers to set the discounts locally and replace every home sold. Since the Government increased the discounts in 2012, the LGA calculated that by 2016/17 the average discount had increased by 132%, to more than £60,000. According to the LGA this means that properties are sold at “almost half price”. In the context of these discounts, sales have risen by nearly 410% in that period. The LGA reckoned that the 58,000 council homes sold had had been subject to discounts worth almost £3.5 billion.

Social housing losses

Looking at all social housing, not just council housing, at the end of January the CIH found that just over 150,000 homes for social rent had been lost in five years, predicting the loss to rise to 230,000 by 2020, making it increasingly harder for those on lower incomes to find affordable, decent housing. As such they suggested that the focus needs to be on the affordability of homes as well as the number of houses being built, calling for a shift in funding from private market housing to “genuinely affordable housing”. The CIH estimate that 79% of the housing budget up to 2020/21 is directed to private housing with only 21% going to affordable housing. Even so, with affordable rents capable of being up to 80% of the market rate, the CIH point out the cut in funding for social housing, where rents are typically 30-40% below market levels.

The costs of buying and renting across the West Midlands

Helping to indicate where the upper bar of the definition of affordable rented housing could lie, statistics from the Valuation Office Agency published in December showed the median private rent in the West Midlands was around £600 a month, the highest outside of the south and east of England. As part of their release, the Agency also published a break down of rental costs by local authority which can be downloaded here.

In a similar vein, HM Land Registry’s January release set out the number and average cost of the properties that have been sold in each council area. So for example, in December 2017 the average property that was sold in Birmingham cost around £178,000, a 7.4% increase on the same month a year before. Interestingly, the figures also show the differences in price between new build and resale homes.
by region. Across the West Midlands it seems, new-build properties were going for an average of around £272,500 last October, compared to around £185,000 for the resale of existing ones. Taking all purchases into account, the region’s median house price in December was just over £191,000. The HM Land Registry figures can be found here.

Sources:

- Ministry of HC&LG - A new national housing agency, January 2018
- LGA - Debate on housing, planing and the green belt briefing, February 2018
- IFS - The decline of homeownership among young adults, February 2018
- CLG Commons Select Committee - Housing for older people, February 2018
- LGA - LGA responds to Housing for Older People report, February 2018
- LGA - £35 billion Right to Buy discounts threaten scheme, February 2018
- CIH - More than 150,000 homes for social rent lost in just five years, January 2018
- Valuation Office Agency - Private Rental Market Summary Statistics, December 2017
- HM Land Registry - UK House Price Index Summary: December 2017, February 2018
- HM Land Registry - UK House Price Index England: December 2017, February 2018
Recent reports shed light on the region’s economy and living standards

While Office of National Statistics figures show the region’s productivity is improving and unemployment rates falling, nationally the Joseph Rowntree Foundation suggest that rising employment is no longer necessarily linked to falling poverty rates. With the region’s relatively high poverty rates and a House of Commons briefing highlighting differences in regional disposable household income levels, West Midlands in Context takes a look.

Productivity up, unemployment rates down

In December, the Office of National Statistics (ONS) released their regional productivity figures. Against the West Midlands’ record of comparatively low productivity per head, the figures encouragingly showed that the region had posted the one of the higher rates of growth in the UK. In its separate labour market release, the ONS also noted that the West Midlands had experienced by far the UK’s biggest growth in workforce jobs over the year to September 2017 and that, although the region’s unemployment rate at the time was the second highest in the UK, it was moving in the right direction; it’s fall of half a percent being the second largest.

Short term statistics can be volatile and it will be hoped that these positive signs are part of a longer-term trend. However, with the links between productivity, employment and wages apparently more tenuous and less understood than they were before the banking crisis, the extent to which any economic improvements feed through to living standards remains to be seen. This is an important issue for the region, where incomes are comparatively low and relative poverty rates high.

Disposable income

As context, in January, a useful House of Commons briefing looked at household disposable incomes. For the three years 2013/14 to 2015/16, it seems the median household disposable income in the UK was £471 per week before housing costs, or £402 after. The statistics show, however, that although better than Northern Ireland and Wales, the West Midlands’ £430 was England’s lowest figure before housing costs were taken into account, and at £370, the lowest in the UK once housing costs were factored in.

The Commons briefing comments that median incomes in the Midlands as a whole were slightly above average in the mid 1970s, “but are now substantially below average (almost 10% below in the case of
the West Midlands), with most of this change happening between the mid 1970s and the mid 1990s. Interestingly, however, they note that over the past 20 years, “income growth in the Midlands has only been slightly slower than the GB average”.

Poverty

By coincidence, in December, the Joseph Rowntree Foundation (JRF) published their report on poverty and how it had changed over those past 20 years. Although they say “very little” progress was made for working age households without children, the good news is that over the 20 years poverty has reduced “dramatically” for some groups of people who were “traditionally” most at risk, such as pensioners and some types of families with children. However, the JRF suggest that “that progress is beginning to unravel”, with poverty beginning to rise again for these groups. For example, they note that twenty years ago, a third of children lived in poverty, but after falling to 28% between 1994/95 and 2004/05, it was back up to 30% by 2015/16.

Bearing in mind the region’s falling unemployment rate, it’s worth noting that the JRF point out that “the continuing rise in employment is no longer leading to lower poverty” with many other factor at play, not least low pay, changes to the benefits and tax credits systems as well as rising housing costs among other things.

All in all, the JRF calculate some 14 million people in the UK live in poverty, or around a fifth of the population. Of that number, four million are children, 1.9 million are pensioners, while 8 million people in poverty live in families where at least one person is in work. Clearly, the picture is different in different parts of the county with poverty rates varying from place to place. With the West Midlands having some of the highest levels of poverty in the UK, the JRF noted that between 2003/06 and 2013/16 “there was a particularly sharp rise in poverty in the West Midlands”. Last year, DWP figures in a House of Commons briefing showed the region to have the UK’s second highest rate of relative poverty measured after housing costs are taken into account.

Sources:

- ONS - Regional gross value added (balanced), UK: 1998 to 2016, December 2017
- ONS - Regional labour market statistics, December 2017
- House of Commons Briefing - Household incomes by region, January 2018
- Joseph Rowntree Foundation - UK Poverty 2017, December 2017
- House of Commons briefing - Poverty in the UK: statistics, June 2017
Round up - Local childhood poverty rates, devolution progress report, Environment green paper and more

Local childhood poverty rates and interactive map

In January the campaigning group End Child Poverty published their latest report estimating the child poverty rates of constituencies and local authorities across the country. Alongside this, their website carries an interactive map allowing users to zoom in on particular parliamentary constituencies and see how poverty levels compare between places.

The group, whose members include well known national organisations such as Bernardos and Oxfam, as well as regional and local ones such as London Councils and the Birmingham Voluntary Service Council (BVSC), found that three of the six parliamentary constituencies with the highest levels of childhood poverty were in Birmingham. The highest of these Birmingham constituencies was Ladywood, where the rate reached 53%, once housing costs were taken into account. At the other end of the scale, Sutton Coldfield had the 14th lowest rate of child poverty (12.54%), while Kenilworth and Southam had the 19th lowest.

Unsurprisingly, it is in the cities where child poverty rates were found to highest and this is reflected in the ranking of authorities. With an overall child poverty rate of 42.33%, Birmingham had the fourth highest rate after Tower Hamlets (53.4%), Manchester and Newham. Sandwell and Walsall were also among the 25 authorities with the highest rates, in 20th and 23rd place respectively.

The interactive map and the full report on local child poverty rates can be found here.

Secretary of State’s annual report on devolution 2016 - 17

For those interested in the speed and extent of devolution across the country, January saw the publication of the Ministry of Housing, Communities and Local Government’s progress report on devolution covering the last financial year. Among other things, these annual reports are intended to set out any new devolution agreements, the areas that have submitted proposals and the ministerial functions, financial resources and additional public functions that have been devolved over the period. While noting that “the Government reached no devolution agreements with new areas”, the report included details of the progress being made within the existing areas.
The report can be downloaded here.

Local Enterprise Partnership governance and transparency: best practice guidance

Following a report by the Public Affairs Committee in July 2016, the Government initiated a review of Local Enterprise Partnership (LEP) governance and transparency, with the aim of providing assurance to the Accounting Officer and ministers that LEPs fully implement existing requirements. The review was published last October and in January the Ministry of Housing, Communities and Local Government published its best practice guidance.

The Government says they have developed this guidance for LEPs to “ensure that their policies and procedures on: code of conduct; the publication of meeting minutes and agendas; confidential reporting procedures for third parties and the public; whistleblowing policies; and registers of interest ensure that robust corporate governance is in place”. To assist, the guidance contains examples of good practice and specific standards and guidance on these topics.

The good practice guidance can be downloaded from here.

A Green Future: Our 25 Year Plan to Improve the Environment

In January the Government published a 25 year plan for the environment. Running to 150 or so pages, the Plan sets six 25 year goals - Clean air; Clean and plentiful water; Thriving plants and wildlife; A reduced risk of harm from environmental hazards such a flooding and drought; Using resources from nature more sustainability and efficiently; and Enhanced beauty, heritage and engagement with the natural environment. In addition, there is a commitment to manage pressures on the environment by - mitigating and adapting to climate change; minimising waste; managing exposure to chemicals; and enhancing biosecurity.

The key policies and actions are outlined in six chapters covering: Using and managing land sustainably; Recovering nature and enhancing the beauty of landscapes; Connecting people with the environment to improve health and wellbeing; Increasing resource efficiency and reducing pollution and waste; Securing clean, productive and biologically diverse seas and oceans; and Protecting and improving our global environment.

The Plan is intended to be updated at least every five years with progress reported to Parliament annually. A set of indicators will be developed to monitor progress.
For those seeking an accessible overview, the House of Commons Library has produced a briefing note which covers the background to the Plan, its publication and wider issues, the overarching themes, key policy areas and the initial reaction to the Plan. In doing so, the briefing highlights a number of the Plan’s policies and announcements, including - using a “natural capital” approach to protecting and enhancing the environment by recognising its tangible and non-tangible economic benefits; introducing the principle of “environmental net gain” into planning decisions where wider natural capital benefits will be assessed as part of the planning process; and aiming to increase woodland in England to meet the aspiration of achieving 12% cover by 2060.

Resources:

- A Green Future: Our 25 Year Plan to Improve the Environment can be downloaded here.
- The House of Commons Library briefing on the 25 Year Environment Plan can be found here.

Every Voice Matters: building a democracy that works for everyone

In December the Cabinet Office published its 5 year plan to improve democratic engagement, tackling democratic exclusion and outlining how the government intends to increase participation among under registered groups.

In his preface the Minister states the Plan it is not intended to act as a rigid framework, “rather its intention is to set out and define .. where.. further action needs to be taken to encourage further democratic engagement and participation, by highlighting a new narrative of how we intend to tackle democratic exclusion, identifying and focusing on specific groups and communities who disproportionately represent those who are currently under represented in our democracy”.

The principles that underpin the plan are - Better Data, Improved Knowledge; Modernising Electoral Registration; Every Voice Matters - recognising the importance of democratic participation as an issue of social justice; A Clear and Secure Democracy - including ensuring protection from abuse and intimidation; and The Democratic Society - long-term strategic approach to encouraging democratic participation.

The Government website notes that the Plan follows the “Every Voice Matters” tour, during which the Minister for the Constitution Chris Skidmore visited every region and nation in Great Britain, meeting over 100 organisations that represent people who are underrepresented on the electoral register.

The Plan can be downloaded from here.
WMiC picks out a selection of current government consultations and parliamentary inquiries that should be of interest to local authorities and their partners.

**Sexual harassment of women and girls in public**  
*Women and Equalities Committee Inquiry*  
*Submissions by 5th March 2018*

In launching this inquiry the Women and Equalities Committee highlight that some 85% of women aged 18 to 24 have experienced unwanted sexual attention in public places. In this inquiry the MPs want to focus on the experience of sexual harassment in public places; on the street, on public transport, in shopping areas, in bars and clubs and other public areas. The Committee is also interested in how age, ethnicity, sexuality and other characterises affect women’s experiences.

[Full details can be found here.](#)

**Land value capture**  
*Communities and Local Government Committee Inquiry*  
*Submissions by 7th March 2018*

The Communities and Local Government Committee is examining the effectiveness of current land value capture methods and the need for new ways of capturing any uplift in the value of land associated with the granting of planning permission or nearby infrastructure improvements. As such they are looking at issues such as the effectiveness of existing mechanisms for example, the Community Infrastructure Levy and planning obligations as well as potential new methods and international examples and the lessons that might be drawn from past attempts to capture land value.

[Full details can be found here.](#)
Proposals for the creation of a Mayor Road Network
Department for Transport consultation
Consultation closes on 19th March 2018

As part of the Transport Investment Strategy, the Government committed to creating a Major Road Network (MRN). In developing the MRN, the Department for Transport (DfT) is seeking views on:

- how to define the MRN
- the role that local, regional and national bodies will play in the MRN investment programme
- which schemes will be eligible for MRN funding

The DfT state that a new MRN would help reduce congestion, support economic growth and rebalancing, support housing delivery, support all road users, and support the Strategic Road Network. The creation of a MRN would also allow for dedicated funding from the National Roads Fund to be used to improve this middle tier of the nation’s busiest roads and the most economically important local authority “A” roads.

Full details can be found here.

Social Work England: secondary legislative framework
Department for Education Consultation
Closes 21st March 2018

Social Work England will be the new professional regulator for social workers in England and will undertake core regulatory functions including: setting standards, holding the professional register, approving initial education and training courses for social workers, and running a “fitness to practice” system. This consultation seeks views on the overall approach to creating a modern, proportionate regulatory framework, the specific approach taken in each of the regulatory areas, possible oversight procedures for regulatory rules, and likely impacts of the proposed changes.

The full details can be found here.
Climate change adaptation: proposals for the third round of adaptation reporting
Department for Environment, Food and Rural Affairs Consultation
Closes 26th March 2018

The Government is legally required to set out and consult on its strategy for climate change reporting. The Adaptation Reporting Power (ARP) set out in the Climate Change Act 2008 provides for the Secretary of State to direct reporting organisations (those with functions of a public nature or statutory undertakers) to report on how they are addressing current and future climate change impacts. Reports should detail: the current and future projected impacts of climate change on their organisation, proposals for adapting to climate change and an assessment of progress towards implementing policies and proposals set out in previous reports.

Full details can be found here.

Local authority public health prescribed activity: call for evidence
Department of Health and Social Care
Closes 17th April 2018

The government is seeking evidence in the form of experience, case studies or research on the prescribing in regulations of specific local authority public health activity. All evidence will be reviewed and used to inform government about whether the system is working well and is fit for the future.

Full details can be found here.

Local Government ethnical standards: stakeholder consultation
Committee on Standards in Public Life
Submissions by 18th May 2018

The Committee of Standards in Public Life is undertaking a review of local government ethnical standards. Robust standards arrangements are needed to safeguard local democracy, maintain high standards of conduct and to protect ethnical practice in local government.

The review will examine the structures, processes and practices in local government for, among other things, maintaining codes of conduct for councillors, investigating alleged breaches, enforcing codes and imposing sanctions, declaring interests and managing conflicts of interest, and whistleblowing.

The full details can be found here.
West Midlands in Context

West Midlands in Context is written and produced by Sherman Wong for IEWM, Improvement and Efficiency West Midlands. Every effort is made to ensure accuracy but please refer to the source material via the links and references provided.

To receive West Midlands in Context please contact Sherman at: WestMidsinContext@virginmedia.com