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Memorandum of Understanding on further devolution to London

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HM Treasury

**MAYOR OF LONDON**

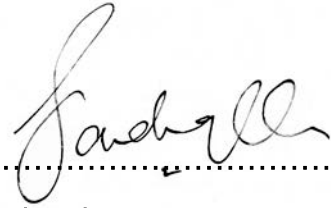


Department for  
Communities and  
Local Government

**LONDON  
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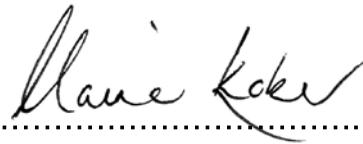
Rt Hon Philip Hammond MP  
Chancellor of the Exchequer



Sadiq Khan  
Mayor of London



Gavin Barwell MP  
Minister for London



CLr Claire Kober  
Chair, London Councils



HM Treasury

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Communities and  
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1. This agreement represents the next stage of devolution to the Greater London Authority (GLA) and London boroughs, building on the government's commitments at Autumn Statement 2016.
2. The government, GLA and London Councils commit to working together to implement this agreement to ensure that London government has the powers it needs to maintain London's status as a successful world-leading city.

### **Development and funding infrastructure**

3. At Budget 2016, the government invited Transport for London (TfL) to bring forward proposals for financing infrastructure projects from land value uplift.
4. The government has agreed to establish a joint taskforce bringing together the GLA, TfL, London Councils, HM Treasury, Department for Transport (DfT) and Department for Communities and Local Government (DCLG) to explore the options for piloting a Development Rights Auction Model (DRAM) on a major infrastructure project in London.
5. Should a pilot of DRAM be agreed, it will be jointly evaluated by London and the government to review its effectiveness and determine whether a similar model could be applied to other infrastructure projects.

### **Business rates**

6. The government is committed to delivering 100% business rates retention for local authorities in England by the end of this Parliament.
7. From April 2017, the GLA will take on responsibility for funding TfL's investment grant. In return the government will allow London to retain a higher share of locally raised business rates, as part of moving towards 100% local retention.
8. The government will explore options for granting London government greater powers and flexibilities over the administration of business rates. This includes supporting the voluntary pooling of business rates within London, subject to appropriate governance structures being agreed.

### **Transport**

9. The government, GLA, TfL and London Councils are committed to improving London's transport infrastructure, recognising that it is vital to the productivity and competitiveness of London's economy. The GLA will publish a new statutory Mayor's Transport Strategy during 2017, setting out plans to transform conditions for walking, cycling and public transport and unlocking opportunities for jobs and housing growth.

10. The Mayor's Transport Strategy will also address congestion challenges in London, informed by consultation with businesses, local authorities and the government. The government commits to working further with London government to ensure it has the powers it needs to tackle congestion. This includes consulting, around summer 2017, on extending the scope of the Lane Rental Charge, including the sunset clause which applies to London and extending the same powers to London local authorities, and making progress on a new street works management service.
11. The GLA will commission an independent study that will work with TfL to identify the key causes of increased road congestion in central London over the last 5 years, with a particular focus on bottlenecks, and will identify a set of prioritised actions that will improve journey times.

### **Criminal justice**

12. The government will work with the Mayor, the Mayor's Office for Policing and Crime (MOPAC) and the boroughs to improve the quality of criminal justice service delivery and enable more effective criminal justice outcomes for London. We will work together to:
  - develop a shared view of the benefits and better outcomes in London that could be delivered by the devolution of criminal justice services, agreeing aligned priorities for criminal justice service delivery in London; and
  - identify the criminal justice services that can best be delivered locally to provide better integrated delivery of services in London (where appropriate), to complement, enhance and support national reform programmes, in line with national frameworks and standards.
13. A Memorandum of Understanding (MoU) will be agreed by June 2017 to support the process for collaborative working.

### **Health**

14. In December 2015, the government agreed the London Health and Care Devolution Agreement, which established five pilots as the first step towards improving health and care in London through integration and devolution.
15. To cement progress made to date and to support London's future plans for preventing ill-health, supporting a more place-based, integrated health and social care system and strategic estates reform, the government, national organisations and London partners will agree a second MoU.
16. The government is committed to continuing to work with the Clinical Commissioning Groups, London boroughs, GLA, Public Health England and NHS England in London to make progress in the areas to be set out in the MoU.

## **Skills**

17. At Autumn Statement 2016, the government announced that it will devolve the Adult Education Budget to London from 2019-20, subject to readiness conditions.
18. The government will continue to work with the GLA and London Councils so that employers can take advantage of the opportunities offered by the apprenticeship levy and will explore options for greater local influence over careers services, with a view to better aligning skills provision and careers services with local needs and priorities.

## **Employment support**

19. At Autumn Statement 2016, the government announced that it will transfer the budget for the Work and Health Programme to London.
20. The government commits to a new strategic dialogue with the GLA and London Councils on employment support. The strategic dialogue will explore options for closer and better alignment of services for customers in London, to better support people actively looking for work, as well as those moving towards the labour market who need different forms of training and support. It will also review the level of integration between employment services provided by central and local government in London.