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I have noted some of my concerns about tax devolution on this blog, as I feel there are real risks inherent in the process for macroeconomic stability because of the relationship between tax and money. That said I have made clear when done in the right way and with the right taxes tax (properly taxes and employer's national insurance being the right starting points) devolution can make sense and reinforces local government.

There is another, at least as powerful, way to achieve that. That is giving local government control of investment in housing, some infrastructure, local energy supply and more. The FT features this issue this morning:

The new leader of Birmingham city council wants to create a "West Midlands sovereign wealth fund" that will invest the region's public sector pension funds in new homes and infrastructure.

John Clancy, elected at the end of November, said he wanted to take the £11bn West Midlands local government pension fund, the third-largest local authority fund in the UK, and pour it into Birmingham and the surrounding region.

"I want to anchor those funds better into the region by investing that wealth in the region," said Mr Clancy in an interview, adding that he had already met Greg Clark, the communities and local government minister, to discuss his ideas.

He also raised the prospect of Birmingham turning to the capital markets, selling so-called Brummie bonds to fund projects

I approve. And as a result I note another report in the FT this morning with disappointment:

The dream is for local authorities in Britain to tap the global bond markets to counter the deep cuts imposed on them by the government.

The Local Capital Finance Company, a municipal bond agency, was set up in 2014 and was due to sell its first bond last April, with annual issuance forecast to quickly reach £3bn.

Number of bonds sold to date? Zero.

Why has that happened? Because it would seem that the Treasury have decided to price local bonds out of the market. I think that is deliberate and a mistake. And I have done so for a long time. As the Localise West Midlands web site mentioned late last year:

City councillor John Clancy, who once worked in the venture capital market,explains in a Chamberlain Files article, [accessed via the Brummie], that 'Brummie bonds' can provide much needed investment and kick-start building by local councils and housing associations across Birmingham.

Some readers will remember that the Brummie Bonds concept was incorporated in the 2003 People's Pensions Proposal, informally presented to MPs, an MEP and NGOs by a London colleague Colin Hines (co-founder of Localise West Midlands) with co-authors, accountant Richard Murphy (now of Tax Justice fame) and MP Alan Simpson. Read on here.

The recollection is entirely correct: it was the first ever campaigning report I co-authored. And the authority we spent more time with working on the issue than any other was Birmingham. The name we used was a Brummie Bond. It would be great to see them finally happen. And it would be even better for the West Midlands, and elsewhere,

The world has moved on a but since 2003, but that report is still worth reading, I think.

And some things don't change. Colin and I were with Andrew Simms, who wrote for foreword for NEF last night.