Where next for devolution in England?

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Reform on the way

An English **Devolution White Paper** is due to ‘level up’ economic and democratic opportunities:

‘unleash regional potential in England, and enabling decisions that affect local people to be made at a local level.

‘expand the benefits of devolution across England and put more trust in local people to choose what is best for their communities.

‘With more powers and funds must come more local democratic responsibility and accountability’

**Queen’s Speech, October 2019**
Economy is not randomly or evenly spread
Cities in North and Midlands underperform
Bad for areas around cities
10 years of change for cities devolution

- End of RDAs and creation of Local Enterprise Partnerships
- Wave 1 City Deals
- Northern Powerhouse and first Devolution Deals announced
- Referendums on directly elected mayors
- Localism Act
- Cities Unit created
- Wave 2 City Deals
- Single Local Growth Fund announced in CSR
- Cities and Local Government Devolution Act
- Theresa May
- Election of six metro mayors
- Commitment to level up opportunity and devo-deals to Greater Manchester
- LEP review
- Devolution White Paper due
- West Yorkshire devo deal agreed, bringing to 9 in total
- Northern Powerhouse and first Devolution Deals announced
- 2010
- 2011
- 2012
- 2013
- 2014
- 2016
- 2017
- 2018
- 2019
- 2020
From one mayor in London
Metro mayors for most major urban areas
Devolution White Paper

Address barriers to supporting local economic growth effectively:

1. Local economies and local government boundaries don’t match up

2. Local government policy and capacity is fragmented inefficiently

3. Local government is underpowered
Three unfinished elements
1. Deepen metro mayoral deals

<table>
<thead>
<tr>
<th>Region</th>
<th>Investment Fund</th>
<th>Local Industrial Strategy</th>
<th>Education &amp; Skills</th>
<th>Housing &amp; Planning</th>
<th>Transport</th>
<th>Health &amp; Social Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridgeshire and Peterborough</td>
<td>£600m</td>
<td>Leading</td>
<td>Apprenticeship Grant for Employers, Adult Skills Budget, Post-16 further education system, Oversight of Skills Advisory Panels.</td>
<td>£570m affordable housing grant, Strategic planning, Mayoral Development Corporations.</td>
<td>Consolidated transport budget, Local roads network, Bus franchising, £74m Transforming Cities Fund</td>
<td>Planning for health and social care integration.</td>
</tr>
<tr>
<td>Greater Manchester</td>
<td>£900m</td>
<td>One of three ‘trailblazer areas’</td>
<td>Apprenticeship Grant for Employers, Adult Skills Budget, Post-16 further education system, Oversight of Skills Advisory Panels.</td>
<td>Creation of Housing and Land Board, Compulsory purchase powers, Mayoral Development Corporations.</td>
<td>Consolidated transport budget, Local roads network, £243m Transforming Cities Fund</td>
<td>Control of £6 billion Integrated health and social care budget.</td>
</tr>
<tr>
<td>North of Tyne</td>
<td>£600m</td>
<td>Developing a ‘rural productivity plan’</td>
<td>Adult Skills Budget, Agree Employment Support Framework Agreement with DWP, Funding for helping people into work, Inducive Growth Board</td>
<td>Strategic planning, Compulsory purchase powers, Mayoral Development Corporations.</td>
<td>Consolidated transport budget, Local roads network, Bus franchising, £134, Transforming Cities Fund</td>
<td>Planning for health and social care integration.</td>
</tr>
<tr>
<td>Liverpool City Region</td>
<td>£900m</td>
<td>Leading</td>
<td>Apprenticeship Grant for Employers, Adult Skills Budget, Post-16 further education system, Oversight of Skills Advisory Panels.</td>
<td>Mayoral Development Corporations, £6m Housing Delivery Team.</td>
<td>Consolidated transport budget, Local roads network, Bus franchising, £59m Transforming Cities Fund, Bus franchising.</td>
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<tr>
<td>Tees Valley</td>
<td>£450m</td>
<td>Leading</td>
<td>Adult Skills Budget, Oversight of Skills Advisory Panels.</td>
<td>Compulsory purchase powers.</td>
<td>Consolidated transport budget, Local roads network, Bus franchising.</td>
<td></td>
</tr>
<tr>
<td>Sheffield City Region</td>
<td>£1.1bn</td>
<td>Leading</td>
<td>Apprenticeship Grant for Employers, Adult Skills Budget, Post-16 further education system, Oversight of Skills Advisory Panels.</td>
<td>Compulsory purchase powers.</td>
<td>Consolidated transport budget, Local roads network, Bus franchising, £250m Transforming Cities Fund.</td>
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<tr>
<td>West Midlands</td>
<td>£900m</td>
<td>Leading</td>
<td>Adult Skills Budget, Post-16 further education system.</td>
<td>Mayoral Development Corporations.</td>
<td>Consolidated transport budget, Local roads network, Bus franchising.</td>
<td></td>
</tr>
<tr>
<td>West of England</td>
<td>£1.1bn</td>
<td>n/a</td>
<td>Apprenticeship Grant for Employers, Adult Skills Budget, Post-16 further education system.</td>
<td>Compulsory purchase powers.</td>
<td>Consolidated transport budget, Local roads network, Bus franchising, £80m Transforming Cities Fund.</td>
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<tr>
<td>West Yorkshire</td>
<td></td>
<td></td>
<td>Adult Education Budget</td>
<td>Strategic planning, Compulsory purchase powers.</td>
<td>Strategic planning, Compulsory purchase powers.</td>
<td></td>
</tr>
</tbody>
</table>

*The powers for Sheffield City Region are subject to public consultation and Secretary of State order in accordance with the Cities and Local Government Devolution Act. This is with the exception of bus franchising where powers are passed to all combined authorities with a metro mayor directly in accordance with the Bus Services Act.*
1. Deepen metro mayoral deals

- 9 Metro mayors
- 33 Met Boroughs
- 9 Unitaries
- 1 county council
- 25 LEPs
- 3 Met boroughs
- 47 Unitaries
- 196 districts

Local planning, tax

Mayor of London

Strategic economic policy and delivery

32 Boroughs

26 county councils

5 districts

1 county council

3 Met boroughs

26 county councils

196 districts

25 LEPs
1. Deepen metro mayoral deals

- Mayor of London
- 9 Metro mayors

Strategic economic policy and delivery

- 32 Boroughs
- 33 Met Boroughs
- 9 Unitaries
- 5 districts

Local planning, tax

- 1 county council

26 county councils

3 Met boroughs

25 LEPs

47 Unitaries

1 county council

5 districts

196 districts
2. Introduce unitary government everywhere else

- Based on
  - functional economic areas
  - and minimum population of 300,000

- **Mayoral model** to provide stability over a term and clearer accountability

- Where population greater 700,000, move to metro mayoral model with economic powers at metro level
Nottingham's challenge

Local Authorities in PUA

Broxtowe

Gedling

Erewash

Nottingham
## 2. Fragmentation of local economic powers across tiers

<table>
<thead>
<tr>
<th>Local economic powers</th>
<th>Two-tier</th>
<th>Single tier Metro mayor/LEP</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>District</td>
<td>County</td>
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<tr>
<td>Education and skills</td>
<td></td>
<td>1</td>
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<tr>
<td><strong>Transport</strong></td>
<td></td>
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<tr>
<td>Parking</td>
<td></td>
<td>1</td>
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<tr>
<td>Passenger transport (buses) and transport planning</td>
<td></td>
<td>1</td>
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<tr>
<td>Highways, street lighting and traffic management</td>
<td></td>
<td>1</td>
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<tr>
<td>Concessionary travel</td>
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<td>1</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td></td>
<td></td>
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<tr>
<td>Housing</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Building regulations</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Economic development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic development</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Licensing</td>
<td></td>
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</tr>
<tr>
<td>Tourism</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council tax</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Business rates</td>
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</tbody>
</table>
No good time for reorganisation

- Complex reform has happened quickly and effectively
- 2 unitaries and a district
- Create partners for government
- Reduce funding
- Model for other places
3. Central government must recognise reform
3. Recognise reform

Commit to recognise competence of reformed institutions

Level up to London-style powers everywhere
  Long term capital budgets
  Control of LEP

Change relationship from agent to independent actor
  Funding via block grant with full flexibility

Higher central funding over next decade
  Deliver on ‘end to austerity’

Tax-raising powers to link local budgets linked to local economy
  Pilot reform of business rates and council tax, Stamp Duty on new builds
Devolution White Paper 2020?

Address barriers to effective and comprehensive reform:

1. **Rules-based** not deal-based process

2. Set a **clear timeline** for change

3. Include a **mechanism** to make it happen
Summary

1. Local economic geography should drive form and function of local government

2. New local government requires new powers and relationship with central government

3. Change requires commitment and clarity from central government
1. Deepen the Metro-Mayor existing deals
   – Closer to European and US counterparts
   – Policies, powers & resources (incl. fiscal flexibility)

2. Introduce unitary authorities across England
   – based on Functional Economic Areas and min-max population sizes

3. And then devolve powers
   – Skills, transport, housing, planning, business support
   – Longer-term funding & fiscal flexibility

• Mix of top-down and bottom-up approach
  – Welsh & Scottish approaches (& Redcliffe-Maud)
  – Bournemouth, Christchurch & Poole approach

• But with no opt-out option