

Levelling up local government in England

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Executive Summary

In its 2019 general election manifesto, the Conservative Party committed to publishing a devolution white paper setting out how it intends to hand power down from Whitehall to local government in England as part of its efforts to level up the economy. This builds on the large strides that have been made in the last decade that have seen devolution to some of our largest cities, and would extend this to the whole of England.

This briefing argues for the alignment of political geography in England with local economic geography. It may sound counterintuitive but, if any further devolution of power is to be successful, it must not start with discussions of *what* to devolve. Instead it must start with the aim of building **the institutional capacity and accountability of local government** to both make better use of the economic powers that are already available, and those that should be devolved in the future. While modest relative to international comparators, there are a number of economic policy powers at the local level already, including over land-use planning and managing local road systems and traffic. But the effectiveness of these policies is hamstrung by the fragmentation of local government across two tiers in county areas and Mayoral Combined Authorities (MCAs), and across local economies around nearly every large town and city.

This fragmentation manifests in two main ways. The first is horizontal fragmentation. In many instances, political boundaries do not reflect the geography of the economies they are trying to manage. This briefing turns repeatedly to the local economic geography of Nottingham, the largest but by no means the only city to face these issues, to illustrate its arguments. In Nottingham, there are nine separate authorities of three types that run through the built-up area of the city. Seven have responsibilities for local planning, for example, in their own patch of the city.

The second is vertical fragmentation, where powers are split between lower-tier district authorities and upper-tier counties with no rationale for why they are allocated as they are (and this is before considering Local Enterprise

Partnerships). In Nottingham, the seven districts in charge of new housing and commercial developments are distinct from the two counties which must provide the infrastructure and transport services for these developments. Nottingham City Council, the core urban unitary has no such divide within its portion of the city.

This fragmentation has two clear impacts. The first is the challenge it poses to designing and delivering effective economic policy when every local authority is independent democratically but dependent economically on its neighbours. In Nottingham, horizontal and vertical fragmentation across the local economy means there are nine separate local authority leaders in charge of economic policy, whose job it is to speak to local businesses and talk to national government about the needs of just one economy.

The second is the efficiency of local government. The financial costs of servicing and supporting multiple different and overlapping local authorities across one local economy carries costs for senior management, councillors, office space and support services. In Nottinghamshire, this figure may be around £20 million a year (excluding service delivery improvements). That is the equivalent to the annual investment funds contained in some devolution deals, such as the £15 million a year for Tees Valley.

This fragmentation means that local government in England is **underpowered and underbounded** in relation to the economy. Addressing these problems in England is long overdue. The Redcliffe-Maud proposals of the 1960s attempted to tackle many of these issues. But their watering down, and the removal of control over local rates, has meant half a century of underpowered and weakening local government, unable to respond sufficiently to the huge economic challenges that many parts of the country have faced. This needs to change if the Government is to deliver ‘levelling up’.

What is needed is the creation of local government institutions that better match the geographies over which people work and live their lives, that have the capacity to make better use of existing powers, and that are well placed and able to take on new ones. It requires **local government boundaries to be redrawn and powers brought together** to move from the existing 349 local and combined authorities each with economic powers in England down to 69 mayor-led ones (see Figure 1) responsible for local economic growth. A reform of this nature will always be controversial, but the economic challenges places around the country are facing combined with the Government’s commitment to level up opportunity, mean it is a reform whose time has come.

This paper provides a clear set of rules for a framework for reform. These should ensure that the reform process is economically valuable and politically feasible:

1. **Everywhere will reform.** England will have a consistent structure of local government for the first time since 1986 and in line with local government in Scotland and Wales.
2. **All two-tier systems will be reformed to unitary structures** so that the dependent set of economic powers, such as housing and transport policy, currently fragmented across different tiers of government, can be co-ordinated effectively and resources used efficiently
3. **Everywhere will have a directly-elected leader** to provide visible leadership that is equally accountable to every voter, and enable strong electoral mandates to govern over four-year terms.
4. **Local government boundaries will better match local economic geography.** Economic powers should be aligned to local economies. Cities and towns, their suburbs and hinterlands that are economically interdependent, should be connected by their local government institutions, rather than divided by them as at present.
5. **Local government must have the capacity to ‘level up’ the economy, while also remaining local.** A minimum population threshold of 300,000 will ensure all residents and businesses have access to a council with the capacity to carry out the full range of duties effectively. A maximum threshold of 800,000, the size of Leeds City Council, should be set to preserve local control over local services. Where local economies are larger than this, then MCAs should be formed, with personal services retained at the local level.

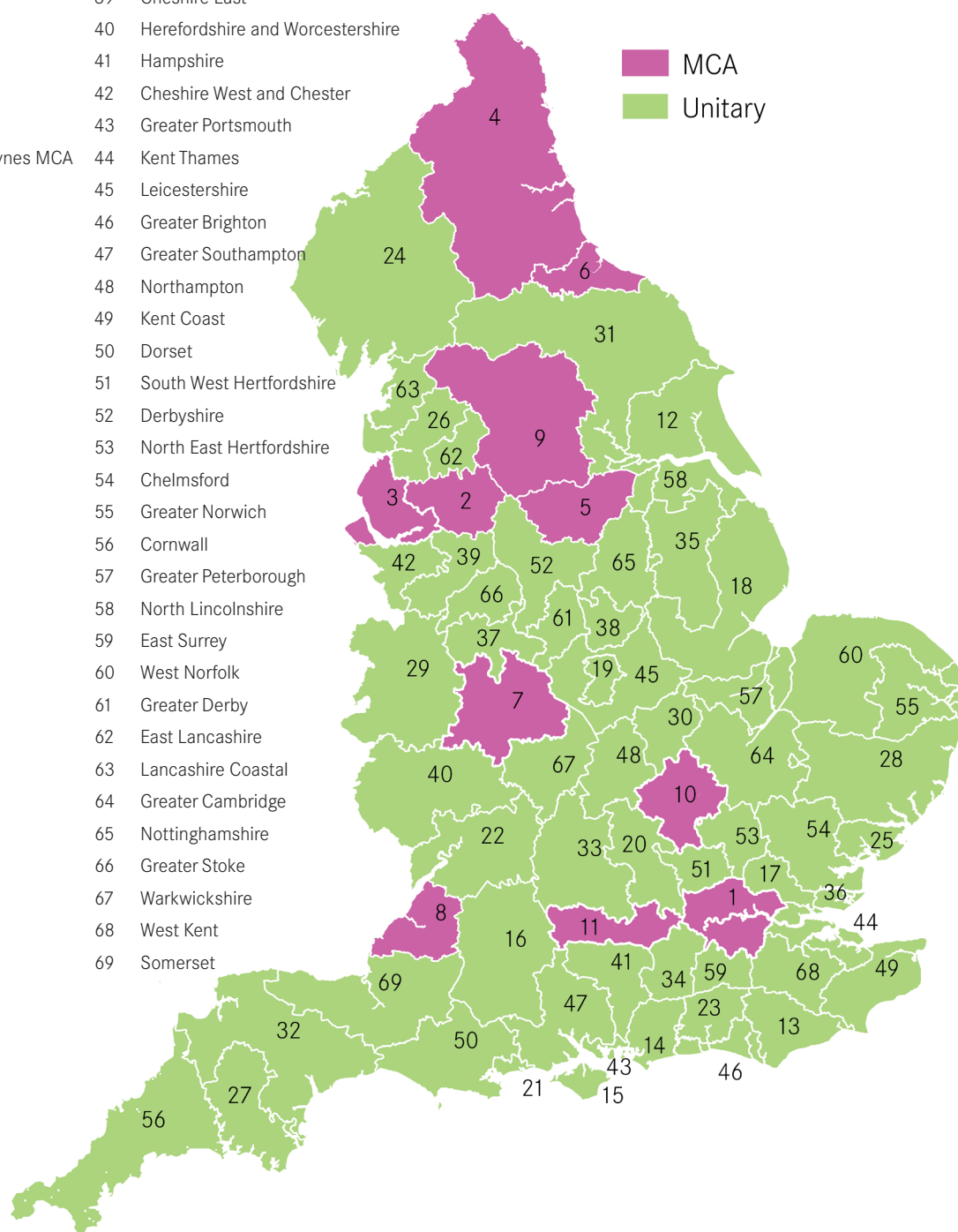
Central government must provide a clear procedure for how proposals can be brought forward:

1. **Government must not enter into negotiations on individual proposals.** Proposals are either agreed locally and presented as the option to government, which must be accepted if it fulfils the criteria, or imposed by central government using a default proposal set out publicly at the start of the process.
2. **Only counties and unitaries can make proposals.** Counties and unitaries will take the lead locally in proposals for reforms to central government. If they can agree on reforms that meet the above conditions fully, then they should be automatically accepted by central government.
3. **Places can only ‘level up’ institutionally one step at a time.** MCAs cannot be formed out of two-tier areas in one step. But districts that are non-constituent members can join existing MCAs.

Figure 1: Proposals for reformed local government

- 1 Greater London
- 2 Greater Manchester MCA
- 3 Liverpool City Region MCA
- 4 North East MCA
- 5 Sheffield City Region MCA
- 6 Tees Valley MCA
- 7 West Midlands MCA
- 8 West of England MCA
- 9 West Yorkshire MCA
- 10 Bedfordshire and Milton Keynes MCA
- 11 Berkshire MCA
- 12 Hull and East Riding
- 13 East Sussex
- 14 West Sussex
- 15 Isle of Wight
- 16 Wiltshire
- 17 West Essex
- 18 Lincolnshire
- 19 Greater Leicester
- 20 Buckinghamshire
- 21 Bournemouth
- 22 Gloucestershire
- 23 Greater Crawley
- 24 Cumbria
- 25 Colchester
- 26 Greater Preston
- 27 Greater Plymouth
- 28 Suffolk
- 29 Shropshire
- 30 East Northamptonshire
- 31 York and North Yorkshire
- 32 Greater Exeter
- 33 Oxfordshire
- 34 West Surrey

- 35 Greater Lincoln
- 36 Greater Southend
- 37 Staffordshire
- 38 Greater Nottingham
- 39 Cheshire East
- 40 Herefordshire and Worcestershire
- 41 Hampshire
- 42 Cheshire West and Chester
- 43 Greater Portsmouth
- 44 Kent Thames
- 45 Leicestershire
- 46 Greater Brighton
- 47 Greater Southampton
- 48 Northampton
- 49 Kent Coast
- 50 Dorset
- 51 South West Hertfordshire
- 52 Derbyshire
- 53 North East Hertfordshire
- 54 Chelmsford
- 55 Greater Norwich
- 56 Cornwall
- 57 Greater Peterborough
- 58 North Lincolnshire
- 59 East Surrey
- 60 West Norfolk
- 61 Greater Derby
- 62 East Lancashire
- 63 Lancashire Coastal
- 64 Greater Cambridge
- 65 Nottinghamshire
- 66 Greater Stoke
- 67 Warwickshire
- 68 West Kent
- 69 Somerset



But reorganisation alone will not be enough. Central government must continue the path of reforms started with metro mayors. To do this, Government must reform its relationship with local government by setting out a **New Deal for Local Government**, providing greater autonomy over policy and funding.

The Government should do two things. First it must **‘level up’ the rest of reformed local government and existing MCAs in England to the powers London has had** for the last 20 years. This should come with funding to develop institutional capacity that London has had a head start on building. And it should go further, **designating ‘protected’ devolved powers** for local government that cannot easily be removed by Westminster, in line with the Scottish devolution settlement for policies such as housing and transport.

This must be underpinned by a reform to funding. Central government must **remove the financial straitjacket** it forces local government to wear, which gives local government little flexibility about how it chooses to spend its budgets to address the varied challenges it faces. To do this, it should give a local government full control over business rates and council tax, allow it to set budgets over a four-year period, rather than the current one-year horizon, and complete flexibility over how it spends money raised from sales, fees and charges.

To make this reform happen central government should clearly lay out the parameters for reorganisation. It should then set a six-month period where it acts as a mediator between local authorities if required. After the initial six months, if conflict is still unresolved, central government should then impose reorganisation. Some will call this a top-down approach. But if local government is to be empowered to support the economies it represents then the area it operates over must match the shape of the local economy. These timescales would allow authorities to be in place by May 2022 with the first elections for a fully-reformed local government system to take place in May 2023.

Only with these reforms will local government be able to play its full part in supporting the places to achieve their potential and contribute to levelling up. The last five decades of underpowered local government mean that doubts about the capacity of local government in the corridors of Whitehall are commonplace. The Government now has an opportunity to correct this. And in doing so it will deal with a substantial barrier to achieving levelling up.

01

Introduction

If ‘levelling up’ is to succeed where previous attempts have failed then government will need to improve policy development and delivery at both the national and local level. At the national level, this will require central government investment to help places across the country achieve their potential. At the local level, it will require local government be given the powers and responsibilities to effectively contribute to the shared goal of levelling up. This briefing focuses on how to achieve the latter.

While there have been great strides made in terms of the devolution of powers to local areas in recent years with the creation of nine metro mayors in addition to the Mayor of London, two main challenges remain. The first is that these mayors have limited powers compared to international counterparts. And the second is that many parts of the UK are not yet covered by a devolution deal.

Given this, the Government’s commitment to producing a devolution white paper is welcome. The natural tendency is to assume that this must be about the handing down of more powers to the local level. While this is true, it cannot be limited to just this point: it must also look at the reorganisation of the current system so as to align political geography with economic geography as much as possible.

The national economy is made up of many local economies, defined by the areas over which people work and live their lives. The challenge for local policy is that local government structures do not reflect this geography. In England, this makes existing economic powers that are held at the local level less effective, and it causes a problem for the passing down of further powers and budgets from Whitehall. The process of greater devolution therefore needs to be about building more robust local institutions as much as it is about the passing down on powers.

This briefing will lay out the problems of the current system, and what needs to change. It sets out:

- How the system of local government is unnecessarily complex and underpowered
- What a better local government would look like
- What extra powers the Government should devolve to reformed local government
- What the Government needs to do make that happen quickly

02

The case for local government reorganisation

Any conversation about devolution must begin with a discussion on reorganising local government to more accurately reflect the geography of the economies they govern. This section sets out why this is important.

Many economic policy powers do not sit at the area over which people work and live their lives

The UK economy is made up of dozens of local economies, which should influence the geography at which economic policy is developed and delivered. In England, there are around 50 high-skill travel-to-work areas, which provide a geography for commuting in local economies and essentially suggest boundaries around where most people live and work.¹ While some policies, such as monetary policy or school curriculums, should be made at the national level, there are a range, such as planning and local transport with high levels of dependency, that should be made at the same geography as the economy they govern if they are to be most effective. One of the major challenges for economic policymaking in England is that many policy levers are not held at the right geography. This in part occurs because there are a number of powers held at the national level that should be held more locally. But that is not the only contributor to this challenge.

There is also a mismatch of policy powers that are already held at the local level. Local government has a number of powers at its disposal. Those over aspects of planning, traffic management and economic development, for example. The problem is that in many places these are split across many bodies that are responsible for economic policy. This problem takes two forms.

1 ONS, Travel to work area analysis in Great Britain 2016

The first is **horizontal fragmentation**. England is divided into a patchwork of 317 local authorities, made up of districts, unitaries and metropolitan and London boroughs. For many, local government boundaries cut across the areas over which they live and work – half of people in cities live and work in different local authorities, and 20 per cent of people in small towns commute into neighbouring cities and large towns for work.² This results in planning policy, for example, being set a number of times by different authorities within a single local economy.

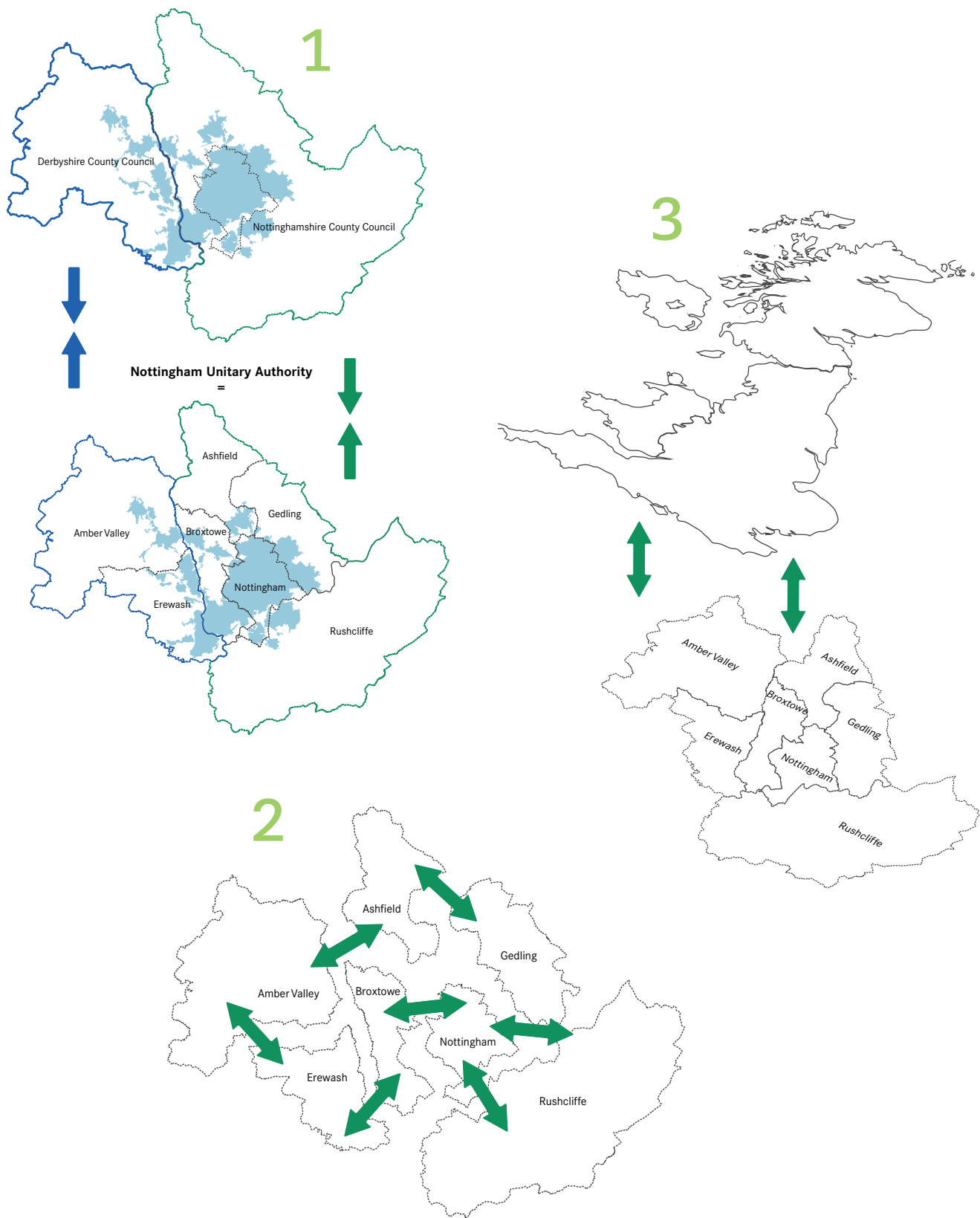
The second is **vertical fragmentation**. Sitting above 188 district authorities are 25 counties (covering 22 million people), with economic policies split between them.³ For example, planning decisions for housing are made at the district level, but the decisions about the new roads to support housing or school transport for children who live in these houses are made by the county. There is no clear reason as to why this is the case. Local Enterprise Partnerships (LEPs), introduced in 2011, add a further level of complexity.

These issues are illustrated in Figure 2.

² 2011 Census; Swinney P, McDonald R and Ramuni R (2018), *Talk of the Town: The economic links between cities and towns*, London: Centre for Cities

³ Northamptonshire County Council and its seven districts will be replaced by two unitaries in 2021, reducing the number of districts to 181 and counties to 24.

Figure 2: The fragmentation of economic policy in England



Horizontal and vertical fragmentation make existing local economic powers ineffective

This fragmentation causes a number of problems for making local economic policy and efficient public services:

- **Co-ordination** – Institutions develop divergent priorities and cultures, and work under different financial and political incentives. This distorts policy to improve the local economy. Where common cause can be found, agreements to co-ordinate policy take time to negotiate and maintain, and are liable to collapse at any time (see Box 1).

Box 1: Transport co-ordination in Nottingham⁴

Transport is an important element in helping to make cross-boundary labour markets work. The vulnerability of ad-hoc co-ordination on policies where local government boundaries do not match how people live and work was demonstrated during the tram extension in Nottingham. An agreement had been made between Nottingham City Council and Nottingham County Council to fund 20 per cent and 5 per cent of the tram extension respectively. A change of political control at one council led to an ending of this agreement, leaving the other council to find the resources to complete the scheme.

- **Negative competition** – Whether a business locates on one side of a local authority boundary or another determines which authority gets to keep the business rates the firm pays. Whether new housing demanded in an economy is put on one side of the boundary or another has potential implications for local politicians at the ballot box. These are not good incentives for growth. (See Box 2)
- **Duplication of structures and dilution of resources** – In most local economies, multiple leaders, chief executives and directors of economy fragment the leadership and resources available. In Nottingham and Nottinghamshire, nine councils (one unitary, one county and seven districts), each with its own senior management, elected members, town halls, offices, support staff and elections, represent 1.2 million people across what is largely one high-skill travel-to-work area, or two standard travel-to-work areas.

⁴ Nottingham is by no means the only place that suffers from policy fragmentation, but is referred to throughout this briefing to illustrate how this fragmentation plays out in one city.

This has two implications. The first is cost. Nottinghamshire County Council in 2018 estimated that the costs of moving from eight authorities to one could save around £18 million a year without accounting for potential savings or improvements to public facing services.⁵ If those savings could have been invested into economic development it would be worth more than the headline £15 million annual investment fund for the Tees Valley Devolution Deal.⁶

The second is delivery. In much of England, small districts are not capable of effectively handling large investments. Small planning departments are not set up to deal with infrequent but large investments that are more regular and manageable at scale of the local economy. For example, one of the reasons Northumberland successfully bid for unitary status in 2009 was the inadequacy of its small districts to process major investments such as windfarms.⁷

Figure 3: Local economic powers across England

| Local economic powers | Two-tier | | | Single tier | |
|--|----------|--------|-----|-------------|-----------------|
| | District | County | LEP | Unitary | Metro mayor/LEP |
| | | | | | |
| Education and skills | | ✓ | ✓ | ✓ | ✓ |
| Transport | | | | | |
| Parking | ✓ | ✓ | | ✓ | |
| Passenger transport (buses) and transport planning | | ✓ | ✓ | ✓ | ✓ |
| Highways, street lighting and traffic management | ✓ | ✓ | ✓ | ✓ | ✓ |
| Concessionary travel | | ✓ | | ✓ | |
| Planning | | | | | |
| Housing | ✓ | | | ✓ | |
| Planning | ✓ | ✓ | ✓ | ✓ | ✓ |
| Building regulations | ✓ | | | ✓ | |
| Economic development | | | | | |
| Economic development | ✓ | ✓ | ✓ | ✓ | ✓ |
| Licensing | ✓ | | | ✓ | |
| Tourism | ✓ | ✓ | ✓ | ✓ | |
| Income | | | | | |
| Council tax | ✓ | | | ✓ | ✓ |
| Business rates | ✓ | | | ✓ | ✓ |

⁵ <https://www.nottinghamshire.gov.uk/media/1727149/deloittereviewlocalgovernmentreorganisationsavings.pdf>

⁶ <https://www.gov.uk/government/publications/tees-valley-devolution-deal>

⁷ [https://hansard.parliament.uk/commons/2007-05-10/debates/07051063000003/LocalGovernmentReorganisation\(Northumberland\)](https://hansard.parliament.uk/commons/2007-05-10/debates/07051063000003/LocalGovernmentReorganisation(Northumberland))

Box 2: The complicated local governance of Nottingham's economy

In 2011 there were 730,000 people living within the built-up area of Nottingham, making it the ninth largest city in the UK on that measure. But only 306,000 people lived within the boundary of Nottingham City Council, with more than half of the city's residents residing beyond the city council's boundaries in six district council areas across two counties. On a daily basis 23,000 commuted out of the city council boundary to other parts of the built up area, and 67,000 commuted in (see Figure 4).

While the city council, being a unitary authority, has control of almost all local economic powers, it does not have control over those powers in parts of the city where over half of the city's population live. On housing for example, the city can grant new development within its borders. But elsewhere in the city, planning is the responsibility of one of six district councils despite the area functioning as one single housing market. A significant proportion of new residents living in any housing built within these districts is likely to commute to a job within the city council boundaries. The infrastructure required to make this happen from the new home to the city council boundary is not the responsibility of the district or the city council: it is the county council's responsibility. This makes the management of the city's economy needlessly complicated.

The map illustrates the distribution of Nottingham residents who work in other parts of the region. The central area is Nottingham, which is the built-up area. Surrounding areas include North East Derbyshire, Mansfield, Bolsover, Ashfield, Gedling, Broxtowe, Erewash, Derby, South Derbyshire, East Staffordshire, North West Leicestershire, Charnwood, Melton, Rushcliffe, Newark and Sherwood, and Derbyshire Dales. The map shows the share of Nottingham residents working elsewhere (indicated by blue arrows) and the share of residents working in Nottingham (indicated by green arrows). The legend identifies the Nottingham built-up area, other built-up areas, unitary authorities, and local authorities.

| Local Authority | Share of Nottingham residents working elsewhere (%) | Share of residents working in Nottingham (%) |
|---------------------------|---|--|
| Nottingham | 33% | 26% |
| Gedling | 4% | 4% |
| Broxtowe | 3% | 3% |
| Erewash | 1% | 10% |
| Derby | 1% | 3% |
| North East Derbyshire | 1% | 1% |
| Derbyshire Dales | 1% | 1% |
| North West Leicestershire | 1% | 1% |
| Charnwood | 1% | 1% |
| Melton | 1% | 1% |
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| East Staffordshire | 1% | 1% |
| | | |

Second, leaders' accountability is split between the local authority and the ward that voted for them. They have to balance the strategic priorities of the area, and the wider city or county view, against the political demands of their ward. Arguably, there is an incentive for the councillor to protect the interests of the people they have been elected to serve over the interests of the wider area.

Third, council leaders have the added consideration of party politics – a mayor cannot be unseated by his or her party group due to the process of direct election, whereas a council leader must rely on the constant support of individual councillors who can remove the leader at any time with a simple majority of a group.

As the Mayor of Lewisham has previously stated “as a council leader I was always conscious of having two constituencies... there was the actual ward, the small area you represent, and then there was your party group. Now I only really have one constituency and that's everyone in the borough who votes. That changes the way you look at things, and the way you think.”¹¹

Fourth, local government leadership has limited visibility, locally and nationally. Awareness is very low for councils. In 2012, only 8 per cent of people could name their council leader.¹² In places like Nottingham, the number of councils covering the city economy creates diffuse leadership (See Box 3). In contrast, in Tees Valley former local councillor Ben Houchen is now metro mayor, elected in 2017. He is known by name by 40 per cent of residents and 40 per cent can name a policy he is connected to.¹³ Not only is he known to local residents to push through difficult but important plans, but he is also known to local businesses and central government. His clear leadership of place gives him the ‘soft power’ to bring together local stakeholders and make the case for Tees Valley to central government for investment and attention.

Box 3: Leadership and accountability in Nottingham

The built-up area of Nottingham is covered by nine separate local authority leaders – two county council leaders, the Nottingham unitary and six districts that surround it. Each leader is elected by the voters of a small electoral ward. The result is that a combined 7,300 Nottingham voters – 1.3 per cent of the total – elected these leaders to oversee economic policy, speak to local businesses and talk to national government about the needs of the whole local economy.

11 Fenwick J, Elcock H & McMillan J (2006) ‘Leadership and Management in UK Local Government: A Role for Elected Mayors’ *International Review of Administrative Sciences* 72(3): 431-447

12 Gash, T and Sims, (Institute for Government, 2012) What can elected mayors do for our city?

13 Savanta ComRes polling for Centre for Cities, 2019 <https://comresglobal.com/polls/centre-for-cities-city-region-research/>

Progress has been made in recent years

Progress has been made in recent years with the introduction of metro mayors in some areas (see Box 4). The mayor is directly elected by voters across the combined authority. Specifically, mayors:

- Have a clearer mandate to deliver on policy commitments once elected, and the stability of administration to get on and deliver before the next election in four years' time.
- Have greater visibility and accountability to the electorate, media and national government.
- Take decisions broadly across the geography over which the economy operates, rather than through the lens of a single ward.

Box 4: England's metro mayors

Devolution deals creating metro mayors have been a significant forward step in devolving power since 2014. They built upon significant progress in the development of statutory city regions since the mid-2000s, from the Northern Way in 2004 to City Deals in 2011. Devolution deals provided some new powers and funding in exchange for the creation of accountable, city-wide public leadership to exercise these powers through a metro mayor across the city region. Most of the powers within devolution deals are powers pooled up from the constituent authorities, with final authority on their use sitting with the council leaders.

Bus franchising powers, adult education budgets and a 30-year investment fund have been added to since with extra funding and more flexible funding, such as the Transforming Cities Fund. Metro mayors now have significant autonomy over the use of Single Pot funding (where they are aligned with the LEP), including Local Growth Fund, the Transforming Cities Fund and the Mayor's Investment Fund. This is worth over £100 million a year in Liverpool City Region.¹⁴

If everywhere in the country had a mayor and similar levels of funding, it would put around £3.8 billion a year in local growth funding under the direct control of elected local leaders.¹⁵

¹⁴ <https://www.liverpoolcityregion-ca.gov.uk/growing-our-economy/strategic-investment-fund/>

¹⁵ Centre for Cities calculation based on similar per capita local growth funding of £66 across England (population 56 million)

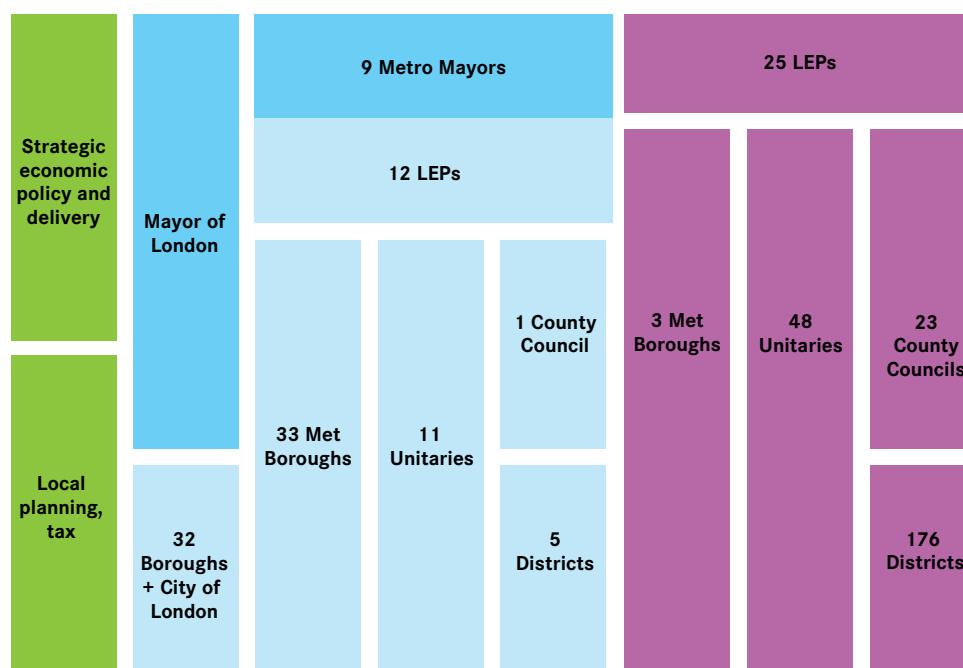
The powers of metro mayors are limited compared to the Mayor of London. Authority over significant pooled strategic economic powers is shared between the mayor and council leaders, but the fundamental authority – and veto power – sits with the individual members of the Combined Authority board. On strategic planning, for example, the power for the mayor to create a statutory spatial framework cannot overrule any single authority. And strategic developments, of large sites or tall buildings and infrastructure, are still fundamentally fragmented across the local economy.

This is not the case in London. The Mayor of London and Greater London Authority (GLA):

- Have strategic control of planning broadly at the level the economy operates over. The mayor sets the London Plan, the statutory spatial plan to which all boroughs must conform (the reverse is the case for England's other metro mayors, where the mayor's plan must conform to the local authorities' Local Plans).
- Can call in any big schemes or buildings that might be rejected by boroughs, relieving some of the pressure local opposition to strategic schemes can create.
- Have a contracted bus system similar to franchising, a power inherited from an already advantageous position that London has had since 1986.
- Can set the Mayor's Transport Strategy, the master document to which boroughs' Local Transport Plans must conform.
- Have devolved, multi-year, capital grant for Transport for London, agreed between the mayor and the Secretary of State which gives control to the mayor to decide on local investment.
- Have oversight of the London Economic Action Partnership, London's LEP, that matches the Greater London boundary and is chaired by the mayor.

This leaves England with a range of local governance institutions and divided local economic powers, as summarised in Figure 3 and Figure 5. In the English context (although weak in the international context, as discussed later), London is the gold standard. Mayoral Combined Authorities (MCAs) have addressed some of this fragmentation where they exist, while the worst elements of fragmentation persist in the rest of England.

Figure 5: Local government and economic policy structures (from 2021)



Note: The geographies of the LEPs in the West Midlands, West of England and North East do not match the geographies of the mayoralities

03

The case for further devolution

Local government in England is underpowered and central government dominates

Even addressing the fragmentation of existing locally-held economic powers would still leave local government in England with much less control over the economy in comparison to local governments in the rest of the developed world. This takes four main forms.

The first is that **authorities in other developed countries have wider-ranging powers than in England**. In France, a centralised state like the UK, local and regional governments still run schools and have control over local public transport. And in Germany, the Laender have expansive powers over taxation as well as health, education, policing, the environment and employment support.¹⁶ In the UK, central government employs 61 per cent of public sector workers (3.3 million out of 5.2 million).¹⁷ For broadly comparable sectors in Germany, only 10 per cent of public sector employees in Germany (500,000 out of 4.8 million) works for the federal government, compared to the Laender and municipalities.

The second is that **central government places significant limitations on how local government can use its funding**. For example, it must make budgets balance within a year, meaning it cannot spend more in one year in anticipation of spending less the following year, without having built up reserves in advance. Central government does not and should not operate under this tight budgetary cycle. Money raised through sales, fees, and charges (e.g. use of a leisure centre, or parking charges) cannot be spent on another service area (e.g. economic development). Money allocated to investment (capital) and day-to-day services (revenue) is split, so that money left over from transport

¹⁶ Although there are 16 Lander in a country of 80 million, nearly a third are comparable to city-regions or big counties in England terms of size and population.

¹⁷ ONS Office for National Statistics – Quarterly Public Sector Employment Survey

A share that has grown since central government allowed schools to leave local government control

infrastructure investment cannot be used to improve skills, for example. This gives local government in England very little room for manoeuvre according to the needs of their particular time or place. International evidence suggests that fiscal decentralisation enhances the benefits of policy decentralisation.¹⁸

The third is that local government revenues are disconnected from the performance of the local economy. The UK ranks near the bottom among OECD countries for local control over tax revenues (at less than 10 per cent of total tax), and this is even more of an outlier when population is taken into account. In similar-sized countries like France, Italy, Spain and Germany, local taxes make up between six and 35 percentage points more of total taxation. Some of this is explained by more extensive competences of subnational government. In Germany, state and local government tax revenues grow broadly in line with the economy automatically through their share of income and corporation taxes generated locally.¹⁹ Fiscal decentralisation that links local government revenues to local economic performance provides an incentive to use local resources more efficiently and implement policies that favour economic development, with poorer areas benefitting the most from having good local institutions.²⁰

The fourth is that **central government has unlimited control over local government, in contrast to most other developed countries.** In federal states, such as Germany, Spain and the United States, sovereignty is constitutionally shared between federal and local government. In Germany, the *Laender* are part-sovereign, exercising unabridgeable rights in certain policy areas, such as of taxation, land use and education, on which the Federal Government cannot encroach. Reforms in England such as the introduction of academy schools that removed education from local authority control, council tax increase referendum requirements, or requiring bins to be collected weekly, would be unthinkable in Germany without a constitutional amendment.²¹ Local government in England, and the services it provides, is still largely accountable to central government rather than local voters and stakeholders. Even in London, central government has been within its powers effectively to require an increase in the congestion charge and in housing targets, devolved policy areas where it is unhappy with local decisions.²²

18 Blochliger H., B. Egert & K. Fredriksen (2013) "Unclassified ECO/WKP(2013)43", Paris: OECD

19 https://portal.cor.europa.eu/divisionpowers/Pages/Germany-Fiscal-Powers.aspx#tabs-ctl00_ctl49_g_3ba354a1_d856_4451_8393_13c6dd065a2f0

20 Bartolini D., S. Stossberg & H. Blochliger (2016) "Fiscal decentralisation and regional disparities", Paris: OECD.

21 <https://www.bundesrat.de/EN/funktionen-en/funktion-en/funktion-en-node.html>

22 https://www.london.gov.uk/sites/default/files/letter_to_the_mayor_of_london_13_march_2020.pdf
<https://www.london.gov.uk/press-releases/mayoral/mayor-calls-for-under-18s-free-travel-to-remain>

In England, central government has been within its powers to reduce the role and autonomy of local government substantially since 1945.²³ Removing powers from local government to set local domestic and business property rates has increased the share of funding from central grants. Central government can then set any conditions it pleases on this funding, as well as extensive reporting requirements to prove it is being used effectively. But central government has shown that it can separate itself from devolved government through convention as in Scotland, Wales or Northern Ireland (see Box 5)

Box 5: The quasi-federal UK

The UK has developed an increasingly quasi-federal structure since 1997. The ‘Sewel convention’ stops Westminster from legislating on any devolved matter in Scotland, Wales or Northern Ireland without their consent. And funding flows automatically to the devolved governments through the longer-established Barnett Formula. There are no assurance requirements and these have not been required for decades because government has treated, in Scotland’s case, the Scotland Office and then the Scottish Parliament as an accountable body.

Significant fiscal powers have followed, and Scotland is now in line with German *Laender* with control over local taxes, and significant new tax powers, including a variable income tax and a share of VAT. It is unthinkable that UK government would look to reform education or criminal justice in Scotland, or interfere with its funding formula, just as the Federal Government in Berlin would not consider legislating in the *Landers’* devolved affairs without their agreement.

There is no equivalent to the Sewel convention within England, leaving all devolution contingent upon central government. The closest England comes to autonomy is multi-year capital funding for Transport for London, and more recently the Single Pot funding for metro mayors. While this is a step forward, these budgets in whole or in part will still be negotiated with departments in the absence of fiscal decentralisation or formula-based funding.

23 Travers T, Esposito L (Policy Exchange, 2004) *Nothing to Lose But Your Chains: Reforming the English Local Government Finance System*

04

What needs to change

Addressing these issues will require the reform of local government – to better match it to the areas over which people work and live their lives, to increase its institutional capacity and its accountability – and to increase the powers and funding of these institutions. The two tasks are interlinked. Neither one alone will deliver levelling up.

This section sets out what should be done, and how it should be achieved.

Reform is overdue

There is never a right time for reform. And there will be legitimate concerns as well as vested interests in the current system that will no doubt look to block it. But history shows us that reform is both possible and, in hindsight, often proves to be uncontroversial.

The Redcliffe-Maud report of 1969 proposed replacing the 35 two-tier counties and over 1,000 districts surrounding 89 county boroughs – equivalent to urban unitaries – outside London with 58 unitary authorities based around cities and towns, and three metropolitan councils around Manchester, Birmingham and Liverpool.²⁴ These would have lower-tier districts focused on personal services, but not economic duties. But opposition from Conservative suburban and rural districts feared being subsumed by Labour-led county boroughs, prompting the Heath government to pursue a different proposal for two-tier local government and nearly 400 separate councils.²⁵ In major cities, Metropolitan Counties along the lines of MCAs, were subsequently abolished in 1986, alongside the Greater London Council. Since 1997, unitarisation of urban districts that had once been county boroughs has significantly recreated the pre-1974 system, and the problems it was intended to solve. Every proposal and change has been fiercely resisted by some element of local government, just as the creation of metro mayors has been resisted by many local authorities.

²⁴ These were to be named SELNEC (South East Lancashire and North East Cheshire), West Midlands and Merseyside

²⁵ Robson, W. (1974) 'The reform of local government in England and Wales' National Civic Review, Volume 63, Issue 10

The removal of two-tier structures, creating boundaries that match local economic footprints and higher levels of funding have also been a consistent feature of Lord Heseltine's analysis and recommendations to level up the economy.²⁶

The result has been nearly half a century of underpowered local government, unable to use its economic tools to respond to significant economic change. The exception to this is London, which had a London-wide body (the GLA) restored in 2000. While there is never a good time for structural reform, further blocking of reform will dilute any future attempts to level up the economy and the role that local government can play in achieving it. Levelling up provides the imperative.

Other reforms show that while they are controversial at the time, this soon subsides. In 1996 in Wales and Scotland, a 'top down' reform of local government moved from the two-tier system to a unitary system. This reformed system is now widely defended against proposals for further reforms.²⁷

In 2016 France reduced the number of mainland regions from 22 to 13 in 'le Big Bang'.²⁸ In 2007, Denmark reduced municipalities from 271 to 98, and 13 counties became five regions to improve the capacity of local government.²⁹

Some English reforms have already happened voluntarily in recent years to move away from the two-tier system. For example, a number of rural districts and counties consolidated into a single unitary in 2009, including County Durham, Cornwall and Northumberland, while Cheshire districts consolidated into two separate unitaries – Cheshire East and Cheshire West and Chester. More recently, a merger of a different kind occurred, with the urban authorities of Bournemouth, Poole and Christchurch merged to create BCP, covering the built-up footprint of Bournemouth. The remainder of Dorset formed a separate unitary authority. These reorganisations happened for a number of reasons, including to improve services and reduce costs of having many different councils.

Some will say what is proposed here is a top-down imposition. But it is up to national government to get the parameters of devolution right. Not doing this will hold back local government's subsequent ability to improve policy at the geography over which local economies operate. Others will invoke historic and civic identity. But history cannot by definition create geographies that reflect today's economy, while civic identity is not determined by local authority boundaries: it is possible to celebrate civic identity while having council boundaries that reflect the area over which people live and work. In these debates, local economic success should take precedence.

26 Heseltine, M (2012) No Stone Unturned in Pursuit of Growth

27 <https://www.bbc.co.uk/news/uk-scotland-18160835>

<https://www.wlga.wales/wlga-response-to-welsh-governments-latest-announcement-on-local-government-reform>

28 <https://www.gouvernement.fr/en/territorial-reform>

29 https://www.oecd-ilibrary.org/taxation/reforming-fiscal-federalism-and-local-government/denmark-the-local-government-reform_9789264119970-8-en

Reforming local government structures

Government must set clear rules under which it and local government will operate during this reform period. It should set a clear process for the most controversial aspect – boundary reform – and commit to accepting proposals that fulfil that process. There should be no individual deal making between central and local government. Instead, these rules should provide for reforms to local government, made by local government, that will be economically powerful and politically feasible. Central government should set the following parameters in its white paper:

- 1. Everywhere will reform.** Everywhere in England will have local government that fits the following criteria within 18 months. It is not optional, it will not be a long-term process. Benefits lie in creating a more consistent and logical structure for local government – it cannot wait any longer. **All two-tier systems will be reformed.** County-district structures will become single tier. Existing MCA structures will move from sharing economic powers and authority between metropolitan boroughs and metro mayors, to metro mayors becoming the unitary economic authority. Powers over transport, planning and skills will become the sole prerogative of the mayor, and boroughs give up individual veto powers on strategic economic policy. Metropolitan boroughs in MCAs will continue to deliver personal and community services such as social care, parks and libraries. They will retain some economic responsibilities, such as local roads or on planning, but the strategy and oversight will be set by the metro mayor.
- 2. Everywhere will have a directly elected leader.** No more leader-and-cabinet models based on districts. All votes will be equal across the area with a clear four-year mandate from each election. Voters will have clear sight of candidates and their platforms. Counties and rural areas can propose an alternative title for their elected leaders other than ‘mayor’ if they wish.

Boundaries will be the most controversial element of reform, so government must provide clarity on the rules for local authorities making proposals:

3. Local government boundaries will match local economy

boundaries. Reformed local government boundaries should better match local economic footprints if local economic policy is to be effective. Economic boundaries will always be blurry, but economic containment should increase, so that residents have a vote over who governs where they live, work and travel most days of their lives. The devolution framework should require at least 70 per cent of residents to live and work in the same local authority.³⁰ This condition puts cities and towns, the economic drivers required to level up the economy, at the centre of reforms. In some instances this may lead to reforms across historic county boundaries where there is local agreement. While this change will occur for economic reasons, it will not affect the existing status of historic counties as cultural entities.

4. Local government will have the capacity to govern effectively while remaining local

Minimum size. Levelling up requires strong institutions with the resources to draw upon to provide high quality economic leadership and ability to deliver on local and national priorities. For this reason, a basic threshold of population should be required for reformed local government. There are two main reasons:

- so that every resident and business has equal access to an institution with sufficient scale to carry out the full range of duties effectively, from bus franchising to planning to skills.
- so that central government is confident that it can devolve significant new powers to every part of local government in England.

Only existing authorities within MCAs and GLA, which will be responsible for solely for community personal services, will have populations below 300,000.

Maximum size. Local government must remain local. New unitaries need to retain a link with residents and their concerns over localised personal services issues such as parks, libraries, bins and social care. The maximum population should be 800,000, which is the size of Leeds local authority.

For areas where the local economy is larger than this and made up of existing unitary authorities, then these should form MCAs to have economic governance at that larger scale, but retain existing unitaries to provide local services at the local scale.³¹

³⁰ There will be some exceptions, for example around Greater London where there are large commuter flows into the capital. But these exceptions should be limited and have clear economic reasons for why they are exceptions.

³¹ Birmingham, the only local authority larger than 800,000, will not be required to be split up in this reform.

There should be a clear process and timescale of agreeing proposals and any divergence from these rules:

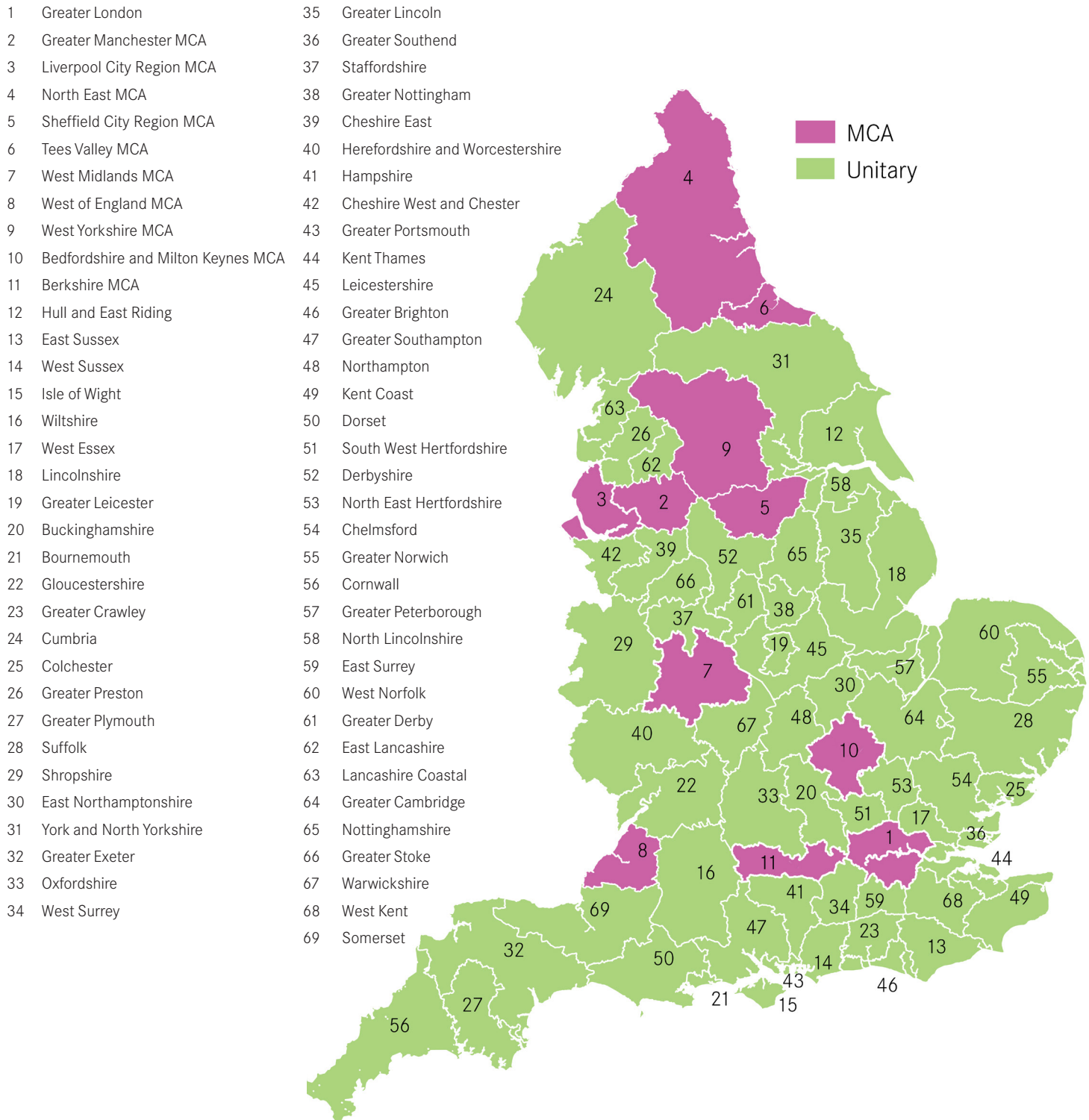
- 1. Government must not enter into negotiation on individual deals** – deals should be agreed locally and presented as the option to government. If they meet rules above, they should be automatically accepted. If places cannot agree reform proposals within six months, then central government should impose default reforms that meet the rules. It should set out this default reform at the start of the process.
- 2. Only counties and unitaries can make proposals:** Counties and unitaries take the lead in proposals for reforms to central government. If they can agree on reforms that meet the above conditions fully, then they should be automatically accepted by central government.

The only exception should be around existing MCAs, which some adjoining districts should be able to join.

- 3. Places can only reform one step at a time:**
 - a.** Any area that is currently two-tier must form one or more unitaries in this electoral cycle.
 - b.** Only existing unitaries that combined have a total population over 800,000 population over a clear economic geography can form an MCA in this electoral cycle.
 - c.** The exception for districts is for those around an existing MCA where at least one district has been a non-constituent member. These can merge into the MCA on the same basis as existing constituent authorities.
 - d.** If areas forming new unitaries wish to create an MCA this should be open to them after they have completed an electoral cycle as unitaries.

To demonstrate how this could be done, Figure 6 sets out a proposed new geography of local government in England based on these criteria. This proposal reduces 348 local and mayoral combined authorities each with their own economic powers down to 69 new or reformed local government institutions, including two new MCAs in Berkshire and Bedfordshire/Milton Keynes. No new unitaries or local services cross historic county boundaries. Within these boundaries, the number of people who live and work in the same lower tier local authority increases from around 52 per cent in 2011 to over 80 per cent. This geography should serve as the default for government to which local authorities can respond. See Appendix 1 for more details.

Figure 6: A proposed new geography of local government in England



Turning delegated tasks into devolved powers for reformed local government

These enlarged institutions will be better placed to act effectively at the scale of the local economy. They will have clear accountability of mayors to voters, they will have the capacity to plan, act and deliver, and they will represent all parts of their economies, from inner cities to suburbs. They should as a result have a number of economic powers devolved to them to bring them up towards levels of local economic control and funding seen in Germany or Spain.

A New Deal for Local Government

The Government should set out a New Deal for Local Government with these reformed institutions, made up of eight steps to help them level up incomes and opportunities:

Powers and autonomy

- **Level up to London** – every new unitary mayor should get the full range of extra powers and funding in devolution deals, such as bus franchising or adult skills. Existing and future metro mayors should gain the same formal control over strategic economic policy, on transport, planning and control of the LEP and future UK Shared Prosperity Funds, as the Mayor of London.
- **A Sewel convention for England** – central government should commit to a set of ‘protected’ areas of local economic policy – housing, transport and adult skills, council tax, business rates, local charges – that it will not act within. Changes to these areas by government would require the consent of two thirds of the mayors, mirroring protections in Germany, as would internal changes to redistributive arrangements across local government.

Renewed local revenue raising

- **Greater control over council tax** – local government retakes responsibility for setting rates, revaluation, banding and ratios of council tax to give greater local control and stability to income. This would hand full control over how a £26 billion tax base is raised by local government.
- **Greater control over business rates** – remove the cap and give control over setting of business rates multiplier and revaluations for a reformed local government that now better matches local economies. This would hand full control over a £25 billion tax base to local government with a sharp incentive for reformed local authorities to maximise business rates locally and nationally through pro-growth policies. A top up and tariff system administered by local government

itself would ensure the autonomy of local government, the incentives to grow and redistribute so that areas with weaker economies can provide the quality public services. **Remove central government restrictions on local sales, fees and charges.** Local government can use its revenues for parking, planning and leisure centres – or congestion and air quality charges – to support its priorities. This would give greater autonomy over £10 billion in revenues.

- **In the longer term, as powers increase, consider a local income tax** to further increase the autonomy local government has over its spending.

Box 6: Levelling up big city mayors

New mayors of reformed unitaries will have full control over re-localised business rates, council tax, and sales, fees and charges, which they can use to fund growth and provide public services across one institution. In big cities, metro mayors will need to generate revenues to invest in growth while boroughs still need to fund local services. In MCAs, business rates should be pooled and set at the metro level, with 50 per cent retained by the metro mayor to fund growth. On council tax, metro mayors should have full flexibility to set a domestic property tax separate from the borough's to fund investment in growth.

A clear transition to self-funded local government

- Moving from the current, highly-centralised system to a truly devolved funding system will require a smooth and gradual transition rather than an overnight switch. Central government must set an initial time-scale and the system of top-up and tariff so that the most economically successfully areas can build up their local tax bases to support local services in their area and contribute to level up funding for service spending in areas with weaker economies. This should be complete within five years so that central government is no longer directly involved in local government funding by the middle of the decade.

Fiscal flexibility

- Local government should have flexibility to balance budgets across rolling four-year periods rather than annually.
- There should be no divide between capital and revenue to reflect the different needs of different areas.

Reforming central government

Reform by local government over structures should be matched by reform by national government to make the use of existing powers and funding for local growth more effective.

New capacity and competences at the local level should replace not duplicate central government capacity. Moving responsibilities and oversight to reformed local government should reduce the size of central government. Three departments in particular should be reduced to reflect powers moving to local government: Ministry for Housing, Communities and Local Government (MHCLG), the Department for Transport and the Department for Business, Enterprise and Industrial Strategy. For example, staff and funding should move from the Department for Transport to cities that choose to take over the management of commuter rail franchises.

MHCLG should become a new ‘England Office’, equivalent to the Scotland and Wales Offices, and represent Mayors within government and co-ordinate between central and local government on devolved matters.

How to do this

The Government has previously said that it will not force through changes to the local government system, expressing instead a ‘strong preference’ for agreeing reform proposals with every part of England.³² The experience from the creation of LEPs does not suggest that this will form units that reflect economic geography or give comprehensive coverage through which central government can then feel comfortable channelling investment.³³

Given this, it is likely that intervention will be required. Government should not force through changes from the start, instead starting with a bottom up approach, encouraging alliances to form along the lines of what happened in Dorset. It should then only intervene where local government has proven unable to come to an agreement.

Specifically, it should:

- Set out the conditions for reform (see above).
- Clearly lay out the significant extra powers and autonomy on offer for reformed local government in a New Deal for Local Government
- Provide funding for reform that covers the costs of transition towards the new authorities and helps to restore local government capacity. It should offer a reform grant of 1 per cent of total turnover, provided each month to every council with an agreed deal until the first election takes place.
- During the first six months the role of central government is to be the mediator between local authorities, if required.

³² <https://www.lgcplus.com/politics/governance-and-structure/exclusive-devo-white-paper-to-feature-lots-of-local-government-reorganisation-21-01-2020/>

³³ <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>

- After the initial six months, if conflict is unresolved in an area, central government or an independent body should set the boundaries for reorganisation.
- Central government should aim to have shadow authorities in place by May 2022 with the first elections for a fully-reformed local government system to take place in May 2023.

Conclusion

The Government's desire to devolve greater power in England as part of its levelling up agenda is both much welcome and long overdue. To be successful though, this process cannot be done effectively without reorganisation of local government.

While the economic powers that English local government holds are limited relative to those in other developed countries, there are still a number of policy levers that it is able to pull. The problem is that the powers it does hold are weakened by the splitting up of these powers across authorities in a way that does not reflect the geography over which people work and live their lives.

To do this the Government should commit to a New Deal with Local Government to set out the benefits that local government will receive as the result of reform. This New Deal should devolve economic powers and change the financial restrictions that local government currently faces to allow it to make the most of new and existing powers.

It should then reorganise local government so as to maximise the effectiveness of the economic powers that they do hold. This means creating unitary city and county local authorities of sufficient scale and capacity to receive further devolved powers, led by a directly-elected mayor to give maximum leadership, visibility and accountability.

Only if this happens will local government be able to play its full part in supporting the places to achieve their potential and contribute to levelling up. The last five decades of underpowered local government mean that doubts about the capacity of local government in the corridors of Whitehall are commonplace. The Government now has an opportunity to correct this. And in doing so it will deal with a substantial barrier to achieving levelling up.

Appendix – Reformed local government – Population size, containment and membership

| New authority | Population rounded | Share of residents working in authority | Constituent lower tier authorities |
|------------------------------------|--------------------|---|--|
| Bedfordshire and Milton Keynes MCA | 944,000 | 74% | Bedford, Central Bedfordshire, Luton, Milton Keynes |
| Berkshire MCA | 395,000 | 79% | Bracknell Forest, West Berkshire, Reading, Slough, Windsor and Maidenhead, Wokingham |
| Bournemouth | 395,000 | 79% | Bournemouth |
| Greater Brighton | 458,000 | 70% | Brighton and Hove, Adur, Lewes |
| Buckinghamshire | 544,000 | 56% | Buckinghamshire |
| Chelmsford | 487,000 | 60% | Braintree, Chelmsford, Maldon, Uttlesford |
| Cheshire East | 384,000 | 64% | Cheshire East |
| Cheshire West and Chester | 343,000 | 61% | Cheshire West and Chester |
| Colchester | 341,000 | 74% | Colchester, Tendring |
| Cornwall | 572,000 | 90% | Cornwall, Isles of Scilly |
| Greater Crawley | 407,000 | 65% | Crawley, Horsham, Mid Sussex |
| Cumbria | 500,000 | 95% | Allerdale, Barrow-in-Furness, Carlisle, Copeland, Eden, South Lakeland |
| Derbyshire | 452,000 | 62% | Bolsover, Chesterfield, Derbyshire Dales, High Peak, North East Derbyshire |
| Dorset | 379,000 | 69% | Dorset |
| East Lancashire | 483,000 | 75% | Blackburn with Darwen, Burnley, Hyndburn, Pendle, Rossendale |
| Greater Norwich | 396,000 | 85% | Norwich, Broadland, South Norfolk, Great Yarmouth |
| East Northamptonshire | 348,000 | 69% | East Northamptonshire |
| East Surrey | 405,000 | 46% | Epsom and Ewell, Mole Valley, Reigate and Banstead, Tandridge |
| East Sussex | 454,000 | 73% | Eastbourne, Hastings, Rother, Wealden |
| Greater Exeter | 796,000 | 91% | Mid Devon, North Devon, Torridge, Torbay, East Devon, Exeter, Teignbridge |
| Gloucestershire | 637,000 | 83% | Cheltenham, Cotswold, Forest of Dean, Gloucester, Stroud, Tewkesbury |
| Greater Cambridge | 552,000 | 78% | Cambridge, East Cambridgeshire, Huntingdonshire, South Cambridgeshire |
| Greater Derby | 608,000 | 69% | Derby, Amber Valley, Erewash, South Derbyshire |
| Greater Leicester | 565,000 | 79% | Leicester, Blaby, Oadby and Wigston, Charnwood (split), Harborough split |
| Greater Lincoln | 312,000 | 77% | Lincoln, North Kesteven, West Lindsey |

| | | | |
|----------------------------------|-----------|-----|--|
| Greater London | 8,960,000 | 92% | Camden, City of London, Hackney, Hammersmith and Fulham, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth, Westminster, Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Greenwich, Harrow, Havering, Hillingdon, Hounslow, Kingston upon Thames, Merton, Redbridge, Richmond upon Thames, Sutton, Waltham Forest |
| Greater Manchester MCA | 2,840,000 | 88% | Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford, Wigan |
| Greater Nottingham | 684,000 | 76% | Nottingham, Broxtowe, Gedling, Rushcliffe |
| Greater Preston | 433,000 | 71% | Chorley, Preston, Ribble Valley, South Ribble, Ashfield split |
| Hampshire | 491,000 | 56% | Basingstoke and Deane, East Hampshire, Hart, Rushmoor |
| Herefordshire and Worcestershire | 502,000 | 77% | Herefordshire, County of, Malvern Hills, Worcester, Wychavon |
| Hull and East Riding | 601,000 | 88% | Kingston upon Hull, City of, East Riding of Yorkshire |
| Isle of Wight | 142,000 | 90% | Isle of Wight |
| Kent Coast | 668,000 | 83% | Ashford, Canterbury, Dover, Shepway, Thanet, |
| Kent Thames | 648,000 | 59% | Medway, Dartford, Gravesham, Swale |
| Lancashire Coastal | 478,000 | 84% | Blackpool, Fylde, Lancaster, Wyre |
| Leicestershire | 535,000 | 57% | Hinckley and Bosworth, Melton, North West Leicestershire, Rutland |
| Lincolnshire | 449,000 | 74% | Boston, East Lindsey, South Holland, South Kesteven |
| Liverpool City Region MCA | 1,880,000 | 86% | Liverpool, Sefton, Knowsley, St Helens, Halton, Wirral, West Lancs, Warrington |
| North East Hertfordshire | 468,000 | 52% | Broxbourne, East Hertfordshire, North Hertfordshire, Stevenage, Welwyn Hatfield, |
| North East MCA | 1,990,000 | 94% | County Durham, Northumberland, Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside, Sunderland |
| North Lincolnshire | 332,000 | 86% | North East Lincolnshire, North Lincolnshire |
| Northampton | 405,000 | 70% | East Northamptonshire |
| Nottinghamshire | 477,000 | 65% | Bassetlaw, Mansfield, Newark and Sherwood |
| Oxfordshire | 692,000 | 82% | Oxford, South Oxfordshire, Vale of White Horse, West Oxfordshire, Cherwell, |
| Greater Peterborough | 304,000 | 74% | Peterborough, Fenland |
| Greater Plymouth | 405,000 | 86% | West Devon, Plymouth, South Hams |
| Greater Portsmouth | 542,000 | 75% | Portsmouth, Fareham, Gosport, Havant |
| Sheffield City Region MCA | 1,410,000 | 85% | Barnsley, Doncaster, Rotherham, Sheffield |
| Shropshire | 503,000 | 82% | Telford and Wrekin, Shropshire |

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| Somerset | 562,000 | 82% | Mendip, Sedgemoor, South Somerset, Taunton Deane, West Somerset |
| South West Hertfordshire | 721,000 | 58% | Dacorum, Hertsmere, St Albans, Three Rivers, Watford, |
| Greater Southampton | 817,000 | 79% | Southampton, Eastleigh, Winchester, New Forest, Test Valley |
| Greater Southend | 535,000 | 58% | Southend-on-Sea, Thurrock, Castle Point, Rochford |
| Staffordshire | 358,000 | 60% | Cannock Chase, East Staffordshire, Stafford , |
| Greater Stoke | 484,000 | 78% | Stoke-on-Trent, Newcastle-under-Lyme, Staffordshire Moorlands |
| Suffolk | 761,000 | 82% | Ipswich, Suffolk Coastal, Mid Suffolk, Babergh, Forest Heath, St Edmundsbury |
| Wiltshire | 722,000 | 78% | Wiltshire, Swindon |
| Tees Valley MCA | 676,000 | 86% | Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton-on-Tees |
| Warwickshire | 383,000 | 64% | Rugby, Stratford-on-Avon, Warwick |
| West Essex | 483,000 | 47% | Basildon, Brentwood, Epping Forest, Harlow |
| West Kent | 543,000 | 61% | Maidstone, Sevenoaks, Tonbridge and Malling, Tunbridge Wells |
| West Midlands MCA | 3,700,000 | 89% | Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall, Wolverhampton, Lichfield, South Staffordshire, Tamworth, North Warwickshire, Nuneaton and Bedworth, Bromsgrove, Redditch, Wyre Forest |
| West Norfolk | 512,000 | 85% | Breckland, King's Lynn and West Norfolk, North Norfolk |
| West of England MCA | 1,160,000 | 90% | Bath and North East Somerset, Bristol, North Somerset, North Somerset |
| West Surrey | 791,000 | 56% | Elmbridge, Guildford, Runnymede, Spelthorne, Surrey Heath, Waverley, Woking |
| West Sussex | 392,000 | 71% | Arun, Chichester, Worthing |
| West Yorkshire MCA | 2,550,000 | 92% | Bradford, Calderdale, Kirklees, Leeds, Wakefield, Craven, Harrogate |
| York and North Yorkshire | 611,000 | 78% | York, Selby, Hambleton, Richmondshire, Ryedale, Scarborough |



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