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Governing England: Devolution and mayors in England

Regional Roundtables

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Foreword

Between November 2016 and April 2017, the British Academy held five roundtable meetings in various locations in England, visiting regions of the country all at different stages of developing devolution deals.

In May 2017, six new metro mayors were elected in the Liverpool City Region, Greater Manchester, Cambridgeshire and Peterborough, Tees Valley, West of England and the West Midlands, with Labour winning in Liverpool and Manchester, and the Conservatives victorious in the other four.

In regions such as Yorkshire a devolution settlement seems some way off. How far these additional deals may get is now in doubt, as the governments led by Rt Hon Theresa May MP have shown less enthusiasm for the flagship policy which was previously championed by former Chancellor of the Exchequer, Rt Hon George Osborne.

Our meetings encountered a range of different views, some cautiously welcoming the advent of the combined authorities, and with them an increase in local powers over skills, transport and infrastructure, and others outlining a concern about the potential for new power-holders upsetting fragile local political balances and partnerships between local leaders.

One constant has been a lack of public enthusiasm for and engagement with the new metro mayors. Confusion has reigned in some regions with a directly elected mayor already, and those who were aware of the new settlements displayed a scepticism as to how much would change for local people.

A range of questions have arisen from our roundtables, including what the future is for those regions outside the patchwork of combined authorities that have now been established and whether the change we have witnessed is real devolution or simply another round of local government re-organisation. There are also questions as to whether the powers and funding given to the new combined authorities will be sufficient to tackle some of the regional challenges, and whether the metro mayors will ever be able to make meaningful change.

Enclosed in this document are the summaries of the findings from the five roundtables. The summaries of the roundtables were written immediately after each event and have been previously published on the British Academy and Institute for government websites. The summaries have not been updated to reflect more recent political events. We hope these make interesting reading, and provide food for thought for government and local actors in the new combined authorities. The British Academy will be working on the Governing England programme for another year and we hope that the findings of this project prove a useful addition to the national debate about our evolving constitution, governance and identity, all at a time of great political change in Britain, and beyond.

Professor John Curtice FBA FRSE FRSA
July 2017

About Governing England

Governing England is a multi-disciplinary programme which seeks to address a number of issues concerning the government and governance of England.

The project is a two-year programme being overseen by the British Academy public policy team. It is exploring the developing constitutional and governance settlement in England, how citizens relate to their institutions, what changing devolution settlements in England may mean for the future of the Union, and how English identity is evolving.

Themes of the programme:

- England in the UK Parliament
- Whitehall as government of England and the UK
- England in a changing fiscal union
- English regions, city regions and mayors
- The future of the political parties
- England and the English

To conclude the programme the Academy will publish 'Governing England: Understanding English institutions and identity in a devolving UK' in July 2018. This book will be co-authored by some of the UK's leading academics and commentators. It will set out the context for the current devolution settlement in England against a backdrop of previous attempts at local government reorganisation, changing political sentiment, and potential implications for the future of the UK.

The British Academy has, through the roundtables examined in this publication, engaged with representatives of the new combined authorities, council leaders, academics, journalists, business and trades union representatives, MPs, Peers and civil servants. We are disseminating our findings with government, and through this work hope to better inform the development of this policy area and ensure crucial public policy questions in this arena are adequately addressed. Roundtables were held as part of this series of work in Newcastle upon Tyne, Sheffield, Bristol, Winchester and Cambridge.

The project is co-chaired by Professor Iain McLean FBA FRSE and Professor Michael Kenny. Members of the working group include Professor John Curtice FBA FRSE FRSA, Professor Jim Gallagher, Professor Meg Russell, Rt Hon Professor John Denham and Guy Lodge.



Professor Iain McLean FBA FRSE

Governing England: lessons from across England

“The overall mood... was of cautious support for the principle of devolution and greater local decision-making, combined with scepticism and concern about precisely how the devolution process was unfolding.”

Akash Paun, Institute for Government

A number of themes emerge from the roundtables. They are:

- Concerns over metro mayors
- Geography lessons:
Functional economic areas, Identity and coherence
- Good relationships between representatives of local authorities are key
- Financing local government

In the months leading up to the English local and metro mayor elections in May 2017, the British Academy organised five roundtables across England for local politicians, academics, policy-makers and commentators in areas where devolution deals were, or had been, in development.

The roundtables were well timed to coincide with the development of the deals at various stages. At each event, the Academy was able to gain a unique insight in to the development of the local devolution deals, and why some were successful, and others not.

The seminars highlighted healthy relationships in many regions that had developed between various local authority representatives, often from different party backgrounds. These positive relationships were often key to ensuring a good devolution deal. The local authority representatives who spoke at the events, even those who were neither in favour of combined authorities nor metro mayors, were open to the new funds and powers on offer in these devolution deals in order to attempt to address the challenges of their region.

Concerns were raised as to whether devolution deals in England offer genuine devolution, or covert local government reorganisation. There is an abiding fear that the money committed by government to support the deals will not be sufficient, and a worry that the role of mayors will be undermined by a lack of public awareness and confidence.

Our publication builds on some of these themes and questions raised at our events, and we hope this work contributes to the national debate around devolution in England at a time of change and reform.

ENGLISH DEVOLUTION IN CONTEXT

The Labour administrations of 1997-2010 established devolved government in Scotland, Wales and Northern Ireland, but no equivalent was created in England. The one area which received devolution was London, in the form of a mayor and elected Assembly: the Greater London Authority. Lord Prescott of Kingston upon Hull, then Deputy Prime Minister, promoted a move to deliver elected assemblies for the English regions, starting with the one deemed to have the strongest regional and administrative identity: North-East England. The proposal was heavily defeated in a 2004 referendum and the policy was abandoned.



What remained were a Regional Development Agency (RDA) and a Government Office (GO) for each region. These had existed, in various forms, since the 1970s. They had various purposes, such as lobbying for their region and attempting to coordinate government policies from different departments towards that region. The first function led to zero-sum competition between the regions, and the second faced difficulties due to lack of engagement from some central government departments, although the Regional Government Offices had a clear effect in the policy domains of what are now the Department for Transport and the Department for Communities and Local Government (DCLG). The Regional Development Agencies and Government Offices were later abolished by the coalition government in 2011.

On 4 May 2017, metro mayors were elected for the first time in six English city-regions where local and central government had earlier agreed the terms of devolution deals. Labour won the elections in Greater Manchester and Liverpool. The Conservatives won the other four – in Tees Valley, Cambridgeshire & Peterborough, the West of England, and the West Midlands. Turnout ranged from 21.3% in Tees Valley to 32.9% in Cambridge & Peterborough. These are below normal local election turnouts, but above the somewhat disappointing turnouts for the first round of Police and Crime Commissioner elections in 2012, which averaged just 15%.

“ The lack of support should not have been a surprise; previous drives for cities and council areas to have elected mayors were rejected in many areas. ”



CONCERNS OVER METRO MAYORS

Government ministers, including under both the Cameron and May administrations, have advocated a mayor in a combined authority framework on the basis that this individual provides a single point of accountability and contact in an area, for government and others. The mayor provides a strategic overview for an area, for example on coordination of infrastructure. However, the post of mayor has attracted controversy. The proposed West Yorkshire deal has had repeated difficulties over the post of a metro mayor with significant resistance to the role in some areas, largely one political party fearing that another might secure the post. Concerns over the post of mayor caused North Somerset council to withdraw from the West of England deal, while those areas that did proceed with the deal retained concerns that the new post of metro mayor may upset a functioning working relationship.

Many local authority figures, both elected representatives and council officials, reported that they felt that they had been ambushed and forced into having a mayor as a condition of any devolution deal. One devolution deal within central southern England had brought together a fragile coalition of partners but collapsed as a result of insistence by government on having a metro mayor, which those involved felt was imposed late in the development of the deal. However, this account was challenged as inaccurate by some others involved in these deals; some felt that all those involved were aware from the start of the importance ascribed to mayors and thus insistence on the inclusion of a metro mayor in the deal should not have been a surprise.

Professor John Curtice FBA FRSE FRSA attended each roundtable and used polling evidence to show that the public are not enthusiastic about mayors. The lack of support should not have been a surprise; previous drives for cities and council areas to have elected mayors were rejected in many areas when put to the people: of 53 local referendums held on whether to introduce a directly elected mayor since 2001, the proposal has been rejected 37 times¹. Among the few cities which did vote for elected mayors are Middlesbrough (part of Tees Valley Combined Authority), and Bristol (part of the West of England Combined Authority). These places now have two mayors – a directly-elected mayor for the city and a metro mayor for the wider combined authority.

In Bristol, we heard that a great deal of confusion arose at the election of the metro mayor for the West of England – “*But we already have a mayor*” – “*Is Marvin having to stand again?*”

Local politicians tended to take a pragmatic approach to the post of mayor. Many reported that agreeing to a metro mayor was a price worth paying for the greater financial package and powers on offer from central government. Many local political leaders entered into negotiations over the mayoral combined authority agreements with an expectation of gaining more funding and powers at a later time.

“In addition to public resistance to more politicians, one reason why the mayoral model has proved so controversial is the issue of the concentration of power in the hands of one individual.”

In addition to public resistance to more politicians, one reason why the mayoral model has proved so controversial is the issue of the concentration of power in the hands of one individual. Each of the combined authorities has a complex set of decision-making arrangements to ensure that the mayor cannot simply impose their preferences in the face of opposition from local council leaders. For instance, the West of England Combined Authority published its constitution in March 2017, and this sets out that the decisions of the combined authority must be approved by a majority, with no casting vote for the mayor. Major decisions – for instance relating to agreement of the spatial development strategy for the region – will require unanimous support. Such provisions mean that mayors will have to work closely with their local partners and earn their trust.



Tim Bowles, mayor of the West of England

GEOGRAPHY LESSONS

Many attendees at the roundtables linked devolution to a desire to boost economic growth, but felt that a lack of clarity over the purpose of the new devolution arrangements hindered progress. If devolution is to follow the ‘Powerhouse’ formula then Functional Economic Areas² are a logical geographical basis on which to proceed. Some attendees spoke of devolution deals for democratic reasons, others for service provision, others for administrative convenience. Each of these approaches has merit, but clarity of purpose would assist in assessing the success of devolution in England long term. Calls for greater clarity around the desired purpose of English devolution policy echo the same point made recently by the Public Accounts Committee³ and IPPR North on this matter⁴.

Functional Economic Areas

The focus on Functional Economic Areas (FEA) has merit but attracted some criticism from attendees. It was generally felt that this was too rigid an approach, more suited to urban areas such as London and Manchester than to semi-rural areas such as the North East, East Anglia, central southern England or the West of England beyond Bristol. The distinction between urban and rural is relevant to governance too. The Cornwall devolution deal does not include either a combined authority or the post of mayor, unlike all other devolution deals. This flexibility for one case (Cornwall) may undermine the FEA-based approach which local politicians felt was applied as a ‘one size fits all’ model. Often, local politicians stressed that “*we are not all Manchester*”.

Identity and coherence

Concerns over the correct geography of the devolution deals have not always prevented deals being concluded. The semi-rural Cambridgeshire & Peterborough devolution deal has been successfully agreed and James Palmer took office as metro mayor in May 2017. In part, the success of this deal was attributed to the sense of cohesion provided by each area covered by the deal being, or having been, historically in one county. The deal follows ‘the logic of administrative convenience’, by utilising old county council boundaries, which also map onto the police and fire authority areas. Peterborough has signed up to the deal, but having gained its ‘independence’ from Cambridgeshire County Council as a new unitary authority in the 1990s, there are some mixed feelings about the new arrangement. Concerns regarding the geography were overcome in order that the Cambridgeshire & Peterborough deal was successfully struck, after the original East Anglia devolution deal collapsed. In part, the vote to

“We are not all Manchester.”

reject the East Anglia deal was motivated by concern about the structure of one mayor to cover all of Cambridgeshire, Norfolk and Suffolk.

Regional identity was raised repeatedly, as it impacts upon the coherence of the areas. The original East Anglia deal collapsed due to disagreements amongst the 23 different councils involved in the area covered by the original deal. Without a coherent and collective identity, some attendees felt that a deal could not be reached. The Cambridgeshire & Peterborough combined authority covered a much smaller area and this may have contributed to the success of the deal.

“The Manchester deal was said to have been two decades in the making.”

The successful agreement of the Cambridgeshire and Peterborough deal can be contrasted with the lack of progress in and around Oxford. Two possible reasons for the difference emerged during the roundtables: political and administrative geography. Cambridge city council is surrounded by South Cambridgeshire district. In contrast, Oxford city council is a hub with four radiating spokes (South Oxfordshire, Vale of the White Horse, West Oxfordshire, and Cherwell). Liberal Democrat (later Labour) Cambridge councillors talked easily to representatives of Conservative-led South Cambridgeshire to explore their mutual interest in a devolution deal. Labour Oxford was unable to successfully strike a deal with four Conservative authorities, and the districts also reacted against Oxfordshire's proposal to become a unitary authority. It has been left to an unelected national body, the National Infrastructure Commission, to publish a report which, if implemented, would bring the rail and road improvements to the Oxford-Cambridge corridor which the 'Northern Powerhouse' proposes for Manchester-Sheffield and Manchester-Leeds, because of an inability of Oxford and Oxfordshire to work together in a collaborative manner. An unwillingness to put aside political differences was also said to have undermined attempts to secure a devolution deal or deals in Yorkshire, especially the prospect of a Yorkshire-wide devolution deal.



Andy Burnham, mayor of Greater Manchester

London and Greater Manchester were often cited as examples of coherent areas, but in each case emphasis was placed on how long coherence and cooperation has existed in these areas, and for how many years local authorities in these areas had been collaborating. London County Council and the Greater London Council existed for many years before the current Mayor/Assembly arrangement, perhaps reflecting or enshrining coherence and a shared identity which thus provided an early blueprint for those keen to pursue devolution in London; while the Manchester deal was said to have been two decades in the making. Rather than a source of pessimism, these examples show what can be achieved in the medium to long term.

GOOD RELATIONSHIPS BETWEEN REPRESENTATIVES OF LOCAL AUTHORITIES ARE KEY

The personal relationships between the representatives of local authorities involved have been crucial in the successful development and agreement of devolution deals. Attendees in central southern England felt that their MPs had been less effective champions for their area in this regard, in contrast to those who had successfully helped their region secure a deal. In order for deals to be successful, working relationships must cross both geographical and party lines. In the West of England this has clearly been the case, in large part due to close collaboration of the three local authorities. Attendees in Bristol expressed concern that a new metro mayor may disrupt the current civil and constructive working relationship enjoyed between the leaders of the three authorities which will make up the combined authority.



“ The proposed scheme of 100% retention of business rates could leave local authorities dependent for their funding on a small number of large employers who may, in time, leave that area or be affected by economic conditions beyond the control of the council. ”

FINANCING LOCAL GOVERNMENT

The devolution deals currently agreed have attracted some criticism for the funding attached to them. The headline funding figures quoted – often nearly one billion pounds – are spread over many years. For instance, in the Cambridgeshire and Peterborough deal it equated to around £20 million per year for 30 years. The £30 million per year for the proposed North East Combined Authority was considered insufficient for agreement to be reached on that deal; one of many factors which contributed to the collapse of that proposed deal.

Beyond the financing of the devolution deals, the way in which local government is funded is changing. At present in England, business rates are collected locally but then partly pooled and redistributed to councils according to assessed spending needs (as of 2013) while part is retained locally⁵. Bristol has taken part in a pilot scheme whereby councils retain 100% of the growth in their business rates as part of a broader move away from grants from central government. Attendees in the North East heard that the reliance on business rates for funding often creates ‘perverse incentives’. Rates are levied on the rateable value of properties, with exemptions and reliefs for small properties occupied by small businesses, meaning that local authorities are incentivised to rely on large distribution centres and shopping complexes rather than housing or spaces for smaller businesses. The proposed scheme of 100% retention of business rates could leave local authorities dependent for their funding on a small number of large employers who may, in time, leave that area or be affected by economic conditions beyond the control of the council.

Fears have been raised as to a trade-off between providing incentives and rewards for growth and redistributing revenues according to need. A reduced focus on pooling of risk or provision for redistribution has led to resistance to reliance on business rates as the sole means of funding local government. Granting devolved bodies flexibility over taxation rates risks allowing tax competition between areas.

Divergent levels of taxation and provision could lead to people looking to live in low tax areas while accessing services in neighbouring higher-taxation areas. Given that, as the Institute for Fiscal Studies has pointed out⁶, the government is moving from grant funding of local government to funding by business rate retention, this policy has the potential to have a significant impact. On one hand, local government may become more focused on growth, and perhaps faster growth, while on the other there is a risk of divergence which may be unsatisfactory to the public. There may be a risk of financial unsustainability for particularly poorly performing local authorities.

A more comprehensive devolution policy might devolve serious tax powers, and a more radical policy could look at not only the structure of property taxes but also consider other taxes such as income tax – which might incentivise broader growth in local incomes. Council tax and business rates are taxes with significant shortcomings. An alternative to consider may be a property tax based on land values.

CONCLUSIONS

Without strong public support for the new combined authorities and metro mayors, it is difficult to assess how they will succeed, and develop the economies of their regions. As the findings at our roundtables demonstrate, public awareness and expectations remain low, and funding from central government is deemed by many to be insufficient to truly tackle many of the systemic problems facing some of the English regions.

The mixed picture resulting from the general election of 2017 means that it remains to be seen how much momentum endures behind the drive to devolve power within England. The main political parties have outlined some level of support for devolution within England but questions have been raised as to the priority assigned to this policy. As Brexit, and wider issues relating to regional inequality and the performance of the economy loom large, devolution may find itself slipping back down the political agenda.

The new voices and leadership in the combined authority regions may prove counter to this. It may be that the metro mayors develop innovative public policy solutions to tackle local and regional challenges in their area, and which can be applied elsewhere in England. So much will depend on the personalities of the metro mayors, and the levels of collaboration between the various actors.

We may see a fruitful partnership blossoming between the Liverpool City Region and Greater Manchester, as the two Labour metro mayors seek to show what Labour can achieve in elected office. Greater Manchester has the opportunity to devise a new approach to great challenges such as social care.

While the post of mayor was repeatedly highlighted as a source of controversy and reportedly caused at least one proposed devolution deal to fail, mayors have been advocated as a means of providing a strategic overview and a single point of accountability. Local politicians in many areas have taken a pragmatic approach to mayors, agreeing to one in order to receive enhanced powers and funding, though whether this policy continues in future remains to be seen.

“While the post of mayor was repeatedly highlighted as a source of controversy and reportedly caused at least one proposed devolution deal to fail, mayors have been advocated as a means of providing a strategic overview and a single point of accountability.”

The 2017 Conservative Party manifesto in fact signals a softer approach: it states that mayors will not be required for devolution deals in rural areas, although they will still be ‘supported’ for city-region deals.

Another key outcome from the roundtables centred on the importance of the strength of identity in the relevant areas. A lack of collective regional identity within some areas has undermined the successful pursuit of the deals. In future, greater consideration should be given to which structures would better reflect coherence and create institutions with which the public can identify. While many attendees felt that the ‘Manchester model’ was being applied too rigidly, the positive experience of devolution to Greater Manchester has demonstrated what can be achieved over time.

Polling data has shown that the public are not currently enthused by devolution. However, if the new metro mayors are able to achieve visible improvements, then experience in areas with devolution shows that people may come to support their mayors.

The June 2017 Queen’s speech indicates that there may be limited appetite or time for significant further devolution. The Local Government Finance Bill, which was lost as a result of the dissolution of Parliament, was not mentioned, so business rate devolution and the mayoral ‘infrastructure levy’ might not now come into being. The Conservative party manifesto for the June 2017 general election committed to “a full review” of the whole business rate system, following the political controversy over revaluation; it will remain to be seen whether or not this now takes place.

Professor Iain McLean FBA FRSE and Martin Rogers
July 2017



Akash Paun

Devolution to the North East: will it finally happen?

Local government representatives, academics and others from the north east of England gathered in Newcastle upon Tyne on 17th November 2016 to discuss the history and future of devolution initiatives in the region.



The discussion at Newcastle's Discovery Museum took place in the context of the then recent rejection of the North East Devolution Agreement, negotiated in 2015 between the UK government and the seven local authorities (areas 1–3 in the map on page 13) that comprise the North East Combined authority (NECA). While Newcastle, Northumberland and North Tyneside (areas 1, 2a and 2c) backed the proposals, the plan was rejected by County Durham, Sunderland, Gateshead and South Tyneside. This latest setback for devolution in the north east follows the rejection in 2004 (by 80% of voters) of a proposed regional assembly for the wider North East administrative region.

“Newcastle, Northumberland and North Tyneside backed the proposals, the plan was rejected by County Durham, Sunderland, Gateshead and South Tyneside.”

The 2015 plan was for NECA to take on greater responsibility for various strategic economic functions such as transport, housing and skills. The UK government had pledged an additional £30 million a year to support this. The devolution deal also included establishing a commission on health and social care integration, and raised the possibility of future devolution in areas such as climate change. As part of the deal, an elected mayor was to take office in May 2017 to lead the combined authority. Discussions are now ongoing about a new 'Greater Newcastle' deal between the three councils who backed the package, and the Department for Communities and Local Government.

The UK government had pledged an additional

£30 million

a year to support economic functions such as transport, housing and skills

Meanwhile, in Tees Valley, south of the NECA area, five authorities (areas 4–8 on page 13) are pressing ahead with their own devolution agreement, with the election of a mayor for the region due to take place in May 2017. Here the deal was described by one event participant as focused more narrowly on economic development, with powers being devolved from Whitehall over employment and skills, transport, planning and investment.

GEOGRAPHY LESSONS

One reason why devolution to the north east has run into repeated difficulties is the lack of consensus over the appropriate geographical area to cover. This was a major problem in 2004, when the proposed regional assembly would have covered a wide territory (areas 1–8) that lacked either a shared identity or an integrated regional economy. Since 2004, the Regional Development Agencies and government Offices across England have been abolished. Consequently, the wider North East administrative region was generally regarded at the event as defunct as a tier of governance, and used only for statistical purposes to calculate trends such as regional economic growth and employment.

The more recent NECA and Tees Valley deals were designed to cover what the government calls 'functional economic areas', which is a term used to describe travel-to-work, travel-to-retail or housing market areas, particularly around major metropolitan centres. In the case of the NECA deal, however, some event participants questioned the extent to which this model applied. It was argued that the NECA area could certainly not be regarded as a coherent city-region like the West Midlands or Greater Manchester. NECA covers the Tyne & Wear urban region (itself containing the two separate cities of Newcastle and Sunderland – areas 2a and 2e) as well as large rural and coastal areas stretching up to the Scottish border and down to the Tees Valley.

Speakers described the region as 'polycentric' and also as 'linear', with economic activity and the population stretching along the A1 and the East Coast mainline. One speaker wondered whether much of the turmoil over devolution in this region could have been avoided by retaining (or perhaps even recreating) the old Tyne & Wear metropolitan county council (area 2), which was abolished in 1986 leaving a legacy including the Metro urban rail system that connects Newcastle, Gateshead and Sunderland.



THE MAYORAL MODEL

A common criticism of the government's approach to devolution concerned its insistence on the introduction of elected mayors spanning multiple local areas. One event participant argued that the mayoral model had been designed with contiguous metropolitan regions such as Greater London and Greater Manchester in mind, and then rolled out to very different places, where it didn't fit.

In Tees Valley, where the devolution deal is going ahead, a speaker argued that the metro mayor model may be more suitable, since the five local areas function more like an integrated city region around the urban centre of Middlesbrough. Nonetheless, here too there was little apparent enthusiasm for the mayoral model, which central government was perceived to favour to ensure there was a single point of contact for them to deal with.

One speaker suggested that the local councils in question had not fully realised that they were locked into a mayoral model until too late, and that there had then been attempts to draft the terms of the devolution deal to tie the hands of the new mayor as far as possible. This is worrying, since for the Tees Valley deal (and any potential future Greater Newcastle deal) to work, the new metro mayors will have to form effective working relationships with the leaders of the councils across their region, who will sit on a leadership group chaired by the mayor as well as scrutinising mayoral spending plans and other decisions.

A further layer of complexity derives from the police areas, which do not align with the geography of the devolution deals. There are three police forces in the north east: Northumbria (covering areas 1 and 2), Durham (areas 3 and 4) and Cleveland (areas 5–8). Durham therefore spans the NECA and Tees Valley areas. Again, this contrasts with London and Manchester, where there is a single police area that aligns with the geography of the wider city region.

This fact made it easier for the London mayor to take on responsibility for the Metropolitan Police in 2012. In Greater Manchester, the new mayor will likewise absorb the Police and Crime Commissioner (PCC) functions from May 2017. This will not happen in the north east, where directly elected PCCs will continue to exist alongside the new Tees Valley mayor, and whatever emerges in and around Newcastle.

MONEY TROUBLES

Money was also on the mind of many event participants. One speaker identified the loss of EU Structural Funds as a result of Brexit as a key factor in the rejection of the NECA deal, especially since the vote to leave the EU follows several years of tight spending settlements for local government across the country. The additional monies promised by central government for infrastructure investment – £30 million and £15 million a year for 30 years for the NECA and Tees Valley deals respectively – were also seen as insufficient. One speaker referred to the sum on offer as “a joke”.

Another question posed was how the government could guarantee extra funding for three decades – this was seen as a meaningless pledge since the political and fiscal context even three years hence cannot be predicted. The concern was that councils would find their budgets squeezed after having taken on additional spending responsibilities. In Tees Valley, it was suggested, the deal had passed in spite of, not because of, the extra money on offer. The big win was seen as the greater freedoms to join up budgetary and policy decisions that were currently siloed – for instance, ensuring that suitable transport infrastructure was created to meet the needs of new businesses investing in the region.

The planned devolution of business rate revenue was also viewed warily. The proposed model will see revenue from non-domestic rates paid by medium and large companies retained by councils rather than being hoovered up and dished back out again by Whitehall. The full details of how this will work have yet to be confirmed, but the new system is expected to entail less redistribution than at present from richer to poorer areas.

“The big win was seen as the greater freedoms to join up budgetary and policy decisions that were currently siloed.”

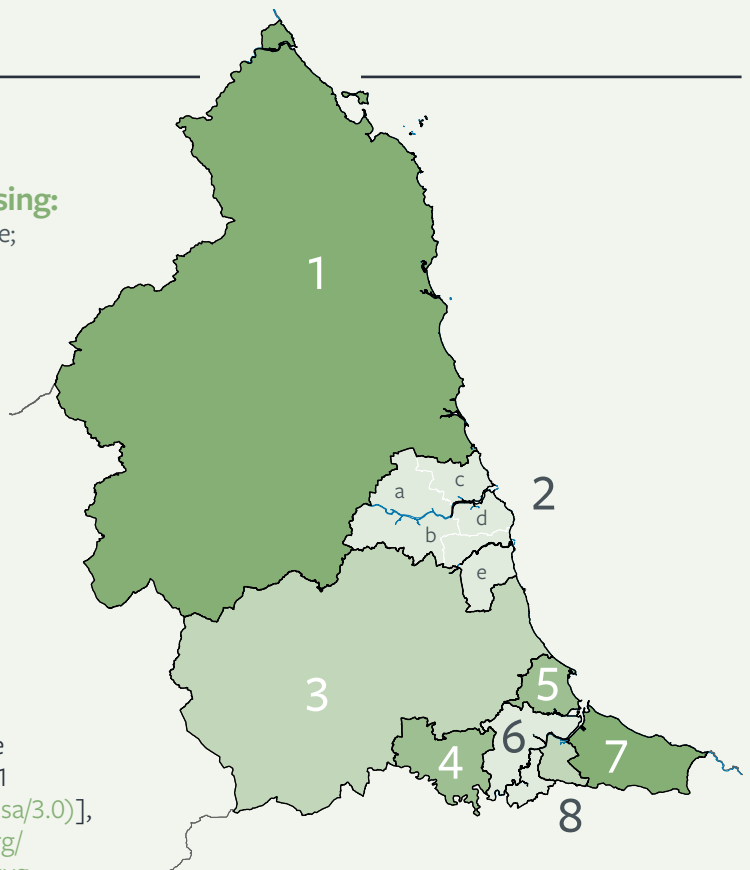
“The proposed model will see revenue from non-domestic rates paid by medium and large companies retained by councils rather than being hoovered up and dished back out again by Whitehall.”

Even in relatively economically successful parts of the north east, there appeared to be concern about the perverse incentives this reform would introduce; pushing local authorities to prioritise the building of large shopping centres and distribution centres, rather than encouraging the development of housing or small business. A further concern was that smaller authorities might be left highly dependent on one or two large local employers, who might choose to relocate at any time, leaving a hole in the budget that councils have little ability to fill.

The overall mood in the room was of cautious support for the principle of devolution and greater local decision-making, combined with scepticism and concern about precisely how the devolution process was unfolding. Combined with the apparent deprioritisation of devolution by the UK government, one has to wonder whether this agenda is, once again, in danger of running out of momentum completely.

Map of North East Region

1. Northumberland (county council)
2. Tyne & Wear metropolitan county, comprising:
 - a) Newcastle Upon Tyne; b) Gateshead; c) North Tyneside;
 - d) South Tyneside; e) Sunderland
3. County Durham (county council)
4. Darlington
5. Hartlepool
6. Stockton-on-Tees
7. Redcar and Cleveland
8. Middlesbrough



Map source: Dr Greg and Nilfanion. Contains Ordnance Survey data © Crown copyright and database right 2011 [CC BY-SA 3.0 (<http://creativecommons.org/licenses/by-sa/3.0/>)], via Wikimedia Commons. https://commons.wikimedia.org/wiki/File%3ANorth_East_England_counties_2009_map.svg

Akash Paun and Lucy Campbell

Devolution to the East of England: two steps forward, one step back?

Local government representatives, academics and other stakeholders from the East of England, as well as participants from Whitehall, convened at Cambridge Central Library on 26th January 2017 to discuss devolution initiatives in the region.



THE STORY SO FAR

The discussion took place two months after seven councils (and the Local Enterprise Partnership) around Cambridge and Peterborough signed up to a devolution deal (covering areas 8 and 9 on the map on page 19). As part of the deal, the local councils involved agreed to form a combined authority led by a directly-elected mayor. In return, the area will receive a new £20-million annual fund for the next 30 years, to support economic growth, developing local infrastructure and jobs. The decision to have a mayor was reached following a consultation of more than 4,000 people. The election takes place on 4 May, alongside five other metro mayor elections across England.

The Cambridgeshire and Peterborough devolution deal builds on a number of previous initiatives in this area. Moves to transfer some freedom over spending to Greater Anglia began with the Greater Ipswich City Deal (covering Ipswich itself and the rest of Suffolk – area 11) and the Greater Norwich City Deal (areas 10a, 10b and 10d), both agreed in 2013. In 2014, Greater Cambridge – including the city and the surrounding district of South Cambridgeshire (areas 8a and 8b) – also agreed a city deal, which aimed to provide over £500 million worth of funding over 15 years. These city deals focused on issues of economic growth and infrastructure, and were important building blocks for the larger multi-council devolution deals.

“The decision to have a mayor was reached following a consultation of more than 4,000 people.”

The area will receive a new

£20 million
annual fund for the next 30 years

The 2016 devolution deal that is now going ahead emerged from the ashes of the larger East Anglia Devolution Agreement, which began in September 2015 as a proposed deal for Suffolk alone. Central government supported the expansion of this deal, which was intended to cover the counties of Suffolk, Norfolk, Cambridgeshire and Peterborough (areas 8–11), totalling 23 local authorities. However, the deal was rejected by both Cambridge City and Cambridgeshire County councils in March 2016, amid concerns about the mayoral structure and the affordable housing plans in the deal.

Subsequently, the city of Cambridge and surrounding Cambridge local authorities agreed with the unitary Peterborough Council to form a combined authority with a mayor. Meanwhile, the government sought to create a new devolution deal for Norfolk and Suffolk, but a number of Norfolk councils voted against the proposal. Suffolk council leaders have continued to seek a devolution deal with government but it is too late for this to go ahead in time for the elections in May 2017.

No devolution deals have been agreed in the rest of the East of England administrative region, which covers Essex, Bedfordshire and Hertfordshire (areas 1 through 11). Following the 2010 abolition of Regional Development Agencies and Regional Government Offices, this larger region now exists primarily just for statistical purposes (as a NUTS 1 region in the standard European Union classification system) as well as forming a constituency for European Parliament elections up until Brexit.

CONTESTED GEOGRAPHY

Several speakers raised concerns that central government’s vision of devolution, built upon the clearer economic and geographic reach of city regions (such as London or Greater Manchester), would be an awkward fit for the East of England and its rural areas. A number of two-tier local authorities have had to consider structural reform and unitarisation to make a ‘metropolitan’ model of devolution work. The lack of consensus on reach has proved problematic in the East of England, which can be seen in the failed East Anglia proposals. While there were undoubtedly benefits to the tri-county deal – including giving the region a stronger voice in national discussions – its unravelling was in no small part due to the differences and lack of unity among the 23 councils involved.

Despite the approaching mayoral election, the geographical reach of the Cambridgeshire and Peterborough deal is still a subject of debate. One attendee advocated the wider East Anglia deal, while another referred to the present deal area as the product of a ‘historical accident’, arguing that the Greater Cambridge area made more sense as a coherent single economic area. The deal therefore was considered to stretch across two economic hubs, in the north and south of the county, which to some extent face in different directions in terms of their economic activity. Greater Cambridge was described as the main powerhouse of growth in the region, and as having a far more international identity – not least due to 9,000 EU citizens living in the area. The Greater Cambridge city deal, it was suggested, has also benefitted from its ‘doughnut’ shape, with South Cambridgeshire surrounding the city. This was contrasted with Oxford, where the city is surrounded by four different district councils, which has complicated negotiations and ultimately contributed to the failure of talks to establish a devolution deal.

“Greater Cambridge was described as the main powerhouse of growth in the region, and as having a far more international identity – not least due to 9,000 EU citizens living in the area.”

Instead of a clearly-defined economic area, the new deal for Cambridgeshire and Peterborough is argued to follow ‘the logic of administrative convenience’, by going back to the old county council boundaries, which also map onto the police and fire authority areas. Peterborough has signed up to the deal, but having gained its ‘independence’ from Cambridgeshire County Council as a new unitary authority in the 1990s, there are apparently some mixed feelings about reverting to the past in this way. There are also some concerns that partnership working arrangements across the region are not yet sufficiently developed. Nonetheless, local and central government participants are committed to overcoming these challenges and to making the deal work in the interests of the whole region.

WHAT IS BEING DEVOLVED?

There is a general agreement that the upcoming mayoral election should mark the beginning not the end of the devolution process. This has been the experience in Scotland, Wales and, more comparably, in Greater Manchester, which has a long history of joint-working across local authorities. Once the process of devolution starts, and the new institutions are in place, many think that it will lead on to further transfers of powers from Whitehall over

“The broad consensus appears to be that it is better to take a limited deal and work towards the next phase of devolution rather than to reject any deal at all.”

time as greater attention is paid to the distinctive needs of the area. In particular, the mayor is described as being a “gamechanger”, who would have significant “convening power” to create momentum towards further devolution.

A number of attendees distinguished between ‘Devolution I’ and ‘Devolution II’. The former was the term for the agreed deal, which is focused on additional powers and funding to improve infrastructure (especially housing, transport and skills) across the region. Devolution II, it is hoped, will extend the remit of the new regional authorities to enable them to tackle wider social problems and inequality gaps and to get to grips with social policy issues such as health and social care integration. At the same time, there are concerns that government is still insufficiently committed to giving up powers, and that without ongoing ministerial focus on this issue, momentum might stall.

The heart of the Cambridgeshire and Peterborough agreement is significant funding commitments for infrastructure and jobs, which have been powerful incentives in getting all partners to sign up. The benefits include a £600-million fund over 30 years, and a further £170 million over the next five years to develop housing (with £70 million of this specifically to build affordable homes in Cambridge). Other proposed benefits include transport improvements (particularly rail), a jointly designed National Work and Health Programme, and development of the Peterborough Enterprise Zone. This package of powers is regarded as important but far from sufficient to meet the needs of the region. Nonetheless, the broad consensus appears to be that it is better to take a limited deal and work towards the next phase of devolution rather than to reject any deal at all, as Norfolk has now done.

The view was also expressed that for devolved government to take root and to encourage genuine strategic thinking across the region, there needs to be a move towards greater fiscal responsibility in place of ‘pork barrel politics’ with each local area engaging in the process primarily to secure spending commitments in its own part of the region. A more adult dialogue between local and central government is needed to enable the region to progress towards a stronger devolution settlement.

THE MAYORAL MODEL

The most contentious aspect of the debate about English devolution revolves around the introduction of mayors. Central government insists that deals should involve the introduction of a mayor in almost all cases, but local resistance to this has delayed and derailed some proposals. The emphasis on mayoral leadership was described at our event as reflecting ministers' desire for a single line of accountability and a single person with whom Whitehall can negotiate, regardless of what the local community deemed most relevant for their needs. The mayoral model is also seen in many places as reflecting central government's focus on metropolitan areas like Greater Manchester, where the model is considered more applicable.

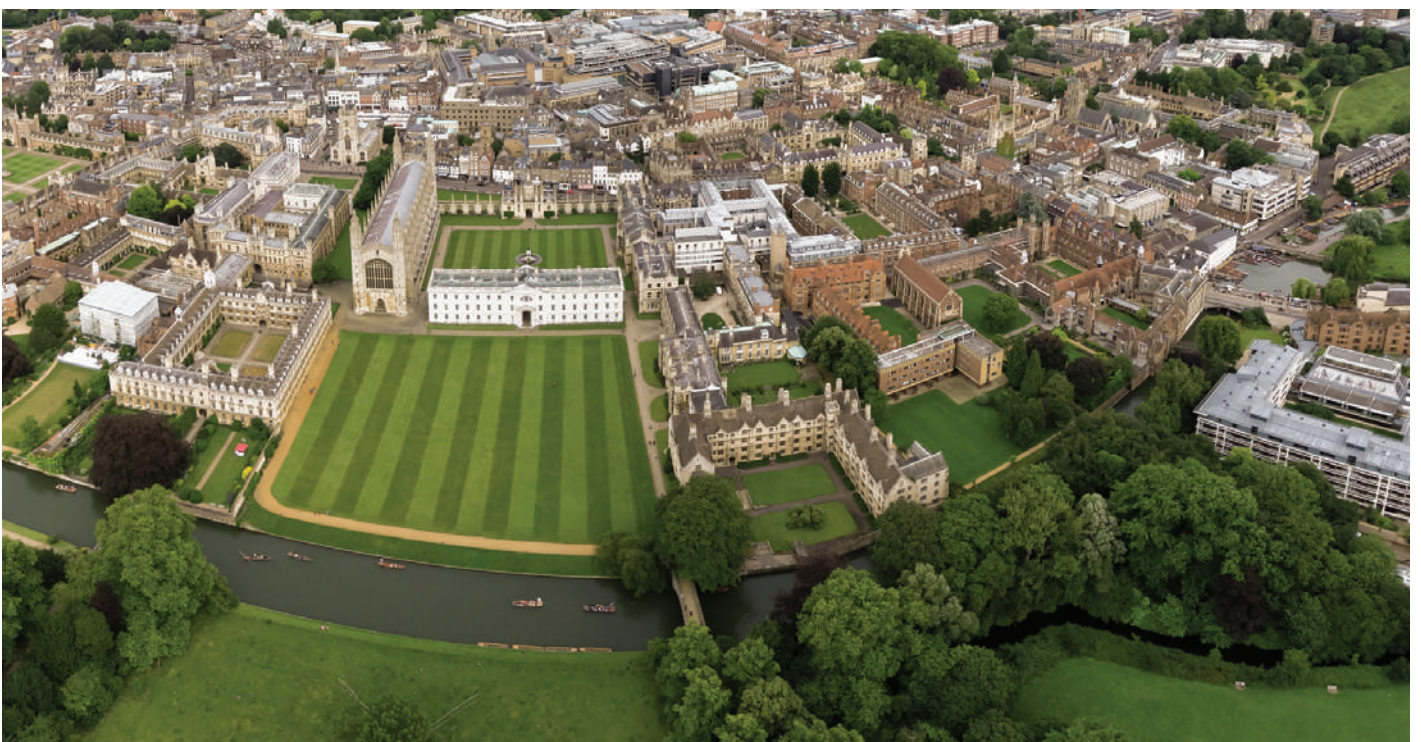
“Central government insists that deals should involve the introduction of a mayor in almost all cases, but local resistance to this has delayed and derailed some proposals.”

The discussion in Cambridge is an example of this viewpoint. Few participants expressed enthusiasm about the creation of mayors in the East of England; at best, there was a feeling that it was a price worth paying in exchange for the powers being offered by central government. In some cases, it was recognised that the right kind of mayor could be an asset for the region, by raising its profile and making the case for further powers in negotiations with Whitehall.

Some felt that mayors posed a risk, for instance, if a 'Trump like' figure emerged who might antagonise existing political relationships and come into conflict with councils. It was also suggested that the local electoral geography could create incentives for candidates to pitch themselves as standing for the interests of northern Cambridgeshire and Peterborough in opposition to the city of Cambridge, potentially leading to policy choices that could harm the overall economic prospects of the region.

Others are concerned that the mayor might prove to be an unambitious figurehead, failing to champion East English interests. For this reason, it was argued that the new mayor needs to demonstrate a willingness to 'pick a fight' with Whitehall and defend the region against bad deals.

The role of the combined authority and its relationship with the mayor is crucial to ensuring effective collaboration between the various partners. The mayor could be significant in encouraging engagement beyond local authorities: in particular, the involvement of business is important to ensure that new powers over transport, skills, housing and business rates are used in a way that will deliver economic benefits.



The fact that in this region the new mayor will operate at the same geographical scale as the county council was highlighted as a further challenge given the potential for competition between the two entities. Participants wondered whether the creation of this fourth tier of governance should therefore pave the way to a unitary model in place of the two-tier structure that currently exists.

Multiple tiers of governance and accountability could also complicate attempts to improve economic links between regions. Attention was drawn to a recent report by the National Infrastructure Commission which argues that the economic potential of the corridor connecting Cambridge and Oxford might be lost without a joined-up plan for housing, jobs and infrastructure. But it is not clear which authority at the eastern end of the corridor will be responsible for making a reality of this vision.

“Local authorities are eager to build the present deal into a more ambitious future settlement, with a greater transition of powers.”

WHAT DO THE PUBLIC THINK?

Data presented at the event by Professor John Curtice FBA FRSE FRSA, Professor of Politics at the University of Strathclyde and member of the British Academy Governing England working group, suggests that public support for devolution in the East of England can be characterised as broad but shallow. In a 2016 Ipsos Mori poll for Cambridgeshire and Peterborough, 55% of people said they support devolution. However, only 17% strongly support devolution while the rest ‘tended’ towards it. 30% replied that they did not know, suggesting that there was notable public apathy on the subject. This reflects a broader trend in polls on English devolution, which usually find lukewarm enthusiasm at best. Furthermore, the English public tends to reject mayors and regional assemblies – spiritual ancestors to the present devolution deals – when offered the choice in referendums.

In the longer term, it was argued, public interest and support for the new institutions will develop if devolution appears successful. This led to the point that if success of devolution is evaluated in narrowly economic terms – for instance, through measurement of GDP growth – public engagement might suffer. Strong local narratives about the purpose of devolution might help, and it is also important that the mayor is seen as having delivered some specific positive changes in the region.

CONCLUDING COMMENTS

Devolution in the East of England has been a case of two steps forward, one step back. The original deal for East Anglia collapsed, and the failure to agree a subsequent deal in Norfolk and Suffolk has put both areas on the back-burner of the devolution agenda. It is a real positive that Cambridgeshire and Peterborough have been able to agree a deal, but there are still challenges ahead. These include the contested logic of the agreed area, the extent of powers on offer, the limited enthusiasm about a mayoral model and limited public interest.

However, there is commitment both at a local level and within Whitehall to make devolution work. In particular, local authorities are eager to build the present deal into a more ambitious future settlement, with a greater transition of powers.

Map of East of England Region

1. Thurrock unitary authority

2. Southend-on-Sea unitary authority

3. Essex County Council, comprising:

- a) Harlow; b) Epping Forest; c) Brentwood; d) Basildon;
- e) Castle Point; f) Rochford; g) Maldon; h) Chelmsford;
- i) Uttlesford; j) Braintree; k) Colchester; l) Tendring

4. Hertfordshire County Council, comprising:

- a) Three Rivers; b) Watford; c) Hertsmere;
- d) Welwyn Hatfield; e) Broxbourne; f) East Hertfordshire;
- g) Stevenage; h) North Hertfordshire;
- i) St Albans; j) Dacorum

5. Luton unitary authority

6. Bedford unitary authority

7. Central Bedfordshire unitary authority

8. Cambridgeshire County Council, comprising:

- a) Cambridge; b) South Cambridgeshire;
- c) Huntingdonshire; d) Fenland; e) East Cambridgeshire

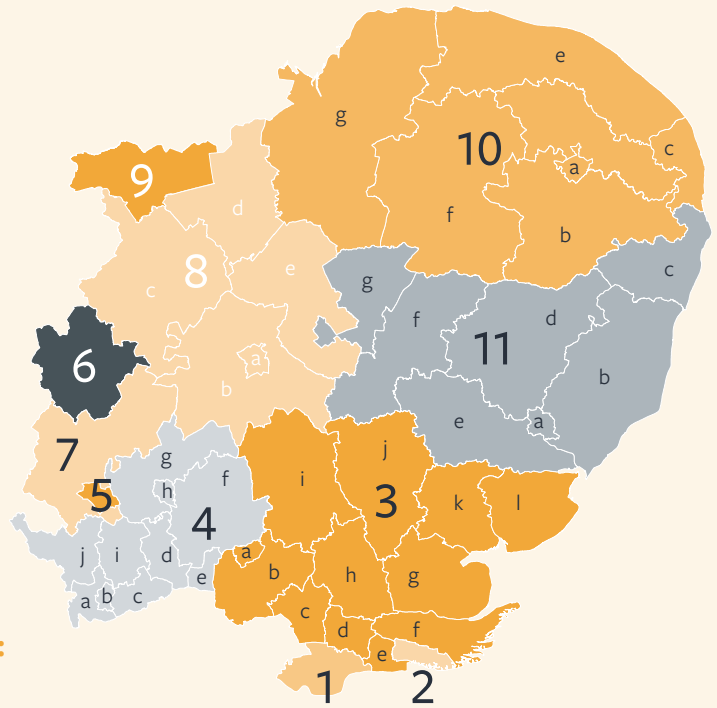
9. Peterborough unitary authority

10. Norfolk County Council, comprising:

- a) Norwich; b) South Norfolk; c) Great Yarmouth; d) Broadland;
- e) North Norfolk; f) Breckland; g) King's Lynn and West Norfolk

11. Suffolk County Council, comprising:

- a) Ipswich; b) Suffolk Coastal; c) Waveney; d) Mid Suffolk;
- e) Babergh; f) St Edmundsbury; g) Forest Heath



Map source: Dr Greg and Nilfanion. Contains Ordnance Survey data ©Crown copyright and database right 2010 [CC BY-SA 3.0, via Wikipedia Commons https://en.wikipedia.org/wiki/East_of_England#/media/File:East_of_England_counties_2009_map.svg]

Martin Rogers

Devolution in central southern England

On 2nd February 2017, local government representatives, academics and others from central southern England gathered in Winchester to discuss devolution in the region.



CENTRAL SOUTHERN ENGLAND

The geography of ‘central southern England’ has complicated efforts to devolve power to the region. While devolution to Scotland and Wales, or regions such as London and Greater Manchester, has been built on shared identity and administrative history, little of this exists to bind central southern England, which consists of Berkshire, Oxford and Oxfordshire, Hampshire, Portsmouth, Southampton and the Isle of Wight.

THE STORY SO FAR

Moves to devolve greater freedom over spending began with a number of city deals approved in 2013 and 2014. City deals for Thames Valley Berkshire, Portsmouth and Southampton and Oxford and Oxfordshire focused on economic growth and investment in key areas such as infrastructure, but, unlike the later devolution deals, they did not include a requirement to change governance arrangements, for instance by introducing mayors.

DEVOLUTION DEALS

There have been several proposed devolution deals across central southern England with varying degrees of success. The first proposed deal came in Autumn 2015 when Hampshire and Isle of Wight Councils (areas 6, 7, 8 and 9 on the map on page 25) submitted a bid to the UK government to create a ‘Southern Powerhouse’. A key part of this bid was the commitment to build 80,000 homes by 2025. The Southern Powerhouse proposal appears to have faltered over concerns around the geography of the deal.

In May 2016, a ‘devolution prospectus’ was published for a ‘Heart of Hampshire’ combined authority (6c, 6f, 6g, 6h, 6i, 6k) separate from the ‘Southern Powerhouse’ proposal. Opposition to an elected mayor for all of Hampshire and the Isle of Wight was cited, alongside geography, as being behind the proposals for a new and separate combined authority. The Heart of Hampshire deal would also include Hampshire County Council and the Enterprise M3 Local Enterprise Partnership. This deal intended to focus on economic growth, skills, infrastructure and homes.

“There have been several proposed devolution deals across central southern England with varying degrees of success.”

In October 2016, the results of a public consultation on the prospect of a new Solent combined authority (7, 8 and 9) were published. This consultation, of over 2500 respondents, found that 71% of respondents supported devolution, but views on the position of mayor were mixed. In October 2016, Isle of Wight Council (9) voted not to proceed with plans for the combined authority due to concerns over public support for the deal and the finances on offer. However, later in October 2016 a second vote was held and plans were agreed for a joint Solent authority consisting of the Isle of Wight, Portsmouth and Southampton. On the 26th January 2017, it was reported that the Solent combined authority was “almost certainly dead”. Portsmouth council leader Cllr Donna Jones outlined her concerns about the likelihood of gaining the agreement of the government due to the lack of local consensus after the new Conservative leader of Isle of Wight council outlined his opposition to the existing bid, in part due to concerns of the potential dominance of Portsmouth and Southampton.

Separately from the above developments, in April 2016, a briefing document was published which outlined plans to create a combined authority for Oxford and Oxfordshire (12). On 19th December 2016, Oxford city council received a recommendation that the Council support the principle of the submission of a devolution bid to government which consisted of a Combined authority under an elected mayor. On 6th February 2017 Oxford City council ‘resolved to approve’ the City’s inclusion in the devolution bid as part of a combined authority under a directly elected mayor.

WHICH POWERS SHOULD BE DEVOLVED?

The question of what devolution is ‘for’ is very much a live one, both within central southern England and beyond. There is a distinction between devolution and local government re-organisation, but too often debates around devolution become overly focused on re-organisation. The forum heard that devolution deals, and powers to devolve, have been the product of compromise between what powers the government wants to devolve and what the body receiving the power, whether existing or new, wishes to have devolved. The EU referendum was identified by one attendee as a key opportunity for ‘subsidiarity’ (moving power to more local levels), if powers and funding repatriated from the EU (for instance relating to regional economic development) can bypass central government and be held at local levels. One key concern with the wider issue of devolution, echoed at this forum, is that, in order for devolution to be a success in the long term, powers must be held permanently at a sub-national level rather than gifted temporarily with Whitehall retaining the option to recentralise them.

Granting greater freedoms to local authorities can lead to improved integration of policy and services. The forum heard that a great appetite existed for improved coordination between businesses and education in the region, such as through Further Education colleges. A lack of coordination between educational institutions and employers had resulted in a significant misalignment between demand for and supply of skills. In Southampton, for example, currently five times as many people leave Further Education colleges with skills in hairdressing as there are hairdressing jobs available.

The political principles and ideologies of government can have a significant impact on the powers that may be devolved. The forum heard that skills is an example of this as, if the government is ideologically committed to a free market in skills then it will be reluctant to devolve powers which it thinks should not be held by the state at any level. This is an issue that cannot be resolved in the short term, and speaks to concerns around power being ‘lent’ temporarily.

Local authority attendees advocated greater autonomy in two other specific areas, in addition to skills and infrastructure: social care and fiscal devolution. One Council leader suggested that, given the financial importance of social care for all branches of government, Local and Combined Authorities will have a strong case in favour of devolution if they can present it as a solution to the current pressures on social care. However, one Council Leader expressed concern that, while under the Solent Combined authority deal, the combined authority would receive additional income of £900 million over 30 years for infrastructure projects, and would retain 100% of its business rates, central government may ‘give with one hand and take with the other’.

GEOGRAPHY

Central southern England is not a region with a strong collective identity, and attendees emphasised that it is a poly-centric area. While Hampshire may have existed as a defined area for longer than England, North and South Hampshire are distinct. One attendee from Oxfordshire told how that area fell between two stools: south of the ‘Midlands Engine’, north of the ‘Southern Powerhouse.’ Considerations of geography are key for devolution, and revolve around the question of what devolution is for. If devolution is to follow the ‘Powerhouse’ logic, with its emphasis on economic activity and productivity, then Functional Economic Areas are a logical geographical structure. If devolution is to serve other purposes, such as to improve governance or service delivery, then other geographical demarcations make prove optimal, for example utilising the current boundaries. An emphasis on strategic planning or integrated service delivery may best utilise yet other boundaries. Answering this question is key to the success of devolution, though the need to encompass all these considerations may explain the difficulties in asserting certainty over boundaries.

“If devolution is to follow the ‘Powerhouse’ logic, with its emphasis on economic activity and productivity, then Functional Economic Areas are a logical geographical structure.”

Taking account of the varied geography of devolution deal areas can be key to success. Many attendees felt that central government had been too settled on the London/ Manchester model of devolution to a city or City Region which has been too prescriptively and rigidly applied. A common refrain from attendees was that ‘we are not Manchester’. While Manchester is often held up as an example to follow, an attendee with experience of the devolution process there stressed how much time and effort had gone into achieving their deal. It was observed that, while Manchester may often be seen from outside as one homogenous area, it is not. The twenty years of work behind the current arrangements must not be underestimated.

One positive outcome from the devolution process is that deals have encouraged local authorities to work together as they never have before, leading to devolution deal bids coming from what one attendee described as ‘diverse bedfellows’. It was widely felt that too little account is taken of local circumstances, and that a more flexible approach from central government would be more helpful to the progress of devolution deals. Local authorities that wish to take part in devolution deals must achieve a certain level of coherence and stability. One attendee with experience of Oxfordshire local government expressed concern that the coherence of local authorities bidding for devolution deals can make or break such deals as central government would be reluctant to devolve to a ‘mess’. One attendee cautioned against committing too much time and resources to trying to identify perfect and logical boundaries as people move and situations change. Devolution deals may perhaps be most successful if the government’s flexible approach to boundaries is continued.

MAYORS

Attendees at the roundtable event raised questions as to whether mayors justified the emphasis placed on their roles in devolution deals. Advocates emphasise that a mayor would provide a single point of accountability for an area and have the potential to provide a strategic overview of their area, relating to infrastructure developments for example. However, the mayoral model has proved controversial in many areas. One attendee involved in a proposed devolution deal within central southern England emphasised that the potential deal had brought together a fragile coalition of partners which held together for the deal on offer, before the central government’s imposition of a mayor resulted in the deal collapsing.

The positive democratic impact of mayors has yet to be proven. Data on public support for mayors has indicated no public clamour for the post, and no increase in turnout where mayors are present. Additionally, a number of referendums across England saw the option of a directly elected mayor rejected in many places. If mayors are to be a prescribed part of these devolution deals, then public support at a meaningful level ought to be secured. Attendees argued that the public were concerned at the possible imposition of an additional layer of sub-national government without clear purpose or accountability. Ultimately, it was thought that outcomes, rather than processes or the structure of local government, are what interests the public.

“ Advocates emphasise that a mayor would provide a single point of accountability for an area and have the potential to provide a strategic overview of their area, relating to infrastructure developments for example. ”



The Democracy Matters Citizens Assembly offers a potential strategy for engaging the public in matters of devolution. The Democracy Matters project is a partnership of university researchers and civil society organisations supported by the Economic and Social Research Council and was set up to foster civic engagement on constitutional matters. In their Assembly South work, a group of twenty-three citizens and six councillors from the Solent and Isle of Wight region was convened over two weekends in October and November 2015 to discuss governance of their local area. The aim was to ‘select the citizens randomly to be broadly representative of the local adult population’. The Citizens Assembly South report was published in January 2016 and demonstrated that the wider public are both willing to engage with constitutional concerns and are capable of making useful contributions and proposals. However, questions were raised as to whether such a forum would be a legitimate way of settling constitutional issues. These concerns included the issue of who would be involved in the process and their selection, how participants could be encouraged to focus on the issues at hand, whether and how the results of this forum could be implemented and concerns around the practicalities of rolling out such events more widely.

RELATIONSHIPS

Relationships play a key role in the success of devolution and the role of local Members of Parliament is of particular importance. Those present expressed concerns that MPs in central southern England have been less effective lobbyists for their area than in other areas such as Manchester and Yorkshire. Attendees felt that MPs would be more likely to give their support to devolution if it could be demonstrated to be effective. It was widely felt that mayors and MPs working together for the good of an area would show both in a positive light, allowing MPs to lobby for their region and to ‘own’ some aspects of the successes. Manchester was frequently cited, given that a deal for further powers had been secured. Additionally, having bodies such as local authorities working together may highlight the strengths and untapped potential of an area. Devolution deals have already created alliances between local authorities, and these must be built on to secure the success of the devolution agenda. The prospect of possible devolution deals has encouraged the cooperation of groups that might not have otherwise done so. The deals have continued to progress through changes of personnel and administration leadership – demonstrating that meaningful local relationships can be built to last.

CONCLUDING COMMENTS

Devolution deals in central southern England have not been universally successful, and no mayors in the region are set to take office in May 2017. The political will exists in the region to press ahead with devolution but there are real issues which have so far prevented the success of the project. A lack of coherent identity within the region has undermined the potential devolution deals, with the Isle of Wight declining to support the Solent deal for fear of being overwhelmed by Southampton and Portsmouth.

So far, the prospect of devolution has forged and strengthened relationships across the region, and these may be key to successfully achieving devolution. But the post of a mayor continues to prove controversial, and has caused one devolution deal in Hampshire to collapse.

Calls for greater clarity around the desired ends of the English devolution project continue to be made, including recently by the Public Accounts Committee and IPPR North. Greater clarity over the aims of devolution and increased flexibility over the post of mayor may well determine whether there is life in devolution deals repeatedly declared ‘dead’.

“Devolution deals have already created alliances between local authorities, and these must be built on to secure the success of the devolution agenda.”

Map of central southern England

1. Berkshire:

a) West Berkshire U.A.; b) Reading U.A.; c) Wokingham U.A.;
d) Bracknell Forest U.A.; e) Windsor and Maidenhead U.A.;
f) Slough U.A.

2. Buckinghamshire:

a) South Bucks; b) Chiltern; c) Wycombe; d) Aylesbury Vale

3. Milton Keynes

4. East Sussex:

a) Hastings; b) Rother; c) Wealden; d) Eastbourne; e) Lewes

5. Brighton & Hove U.A.:

6. Hampshire:

a) Fareham; b) Gosport; c) Winchester; d) Havant; e) East
Hampshire; f) Hart; g) Rushmoor; h) Basingstoke and Deane,
i) Test Valley; j) Eastleigh; k) New Forest

7. Southampton U.A.

8. Portsmouth U.A.

9. Isle of Wight

10. Kent

a) Dartford; b) Gravesham; c) Sevenoaks; d) Tonbridge
and Malling; e) Tunbridge Wells; f) Maidstone; g) Swale,
h) Ashford; i) Shepway; j) Canterbury; k) Dover; l) Thanet

11. Medway U.A.

12. Oxfordshire

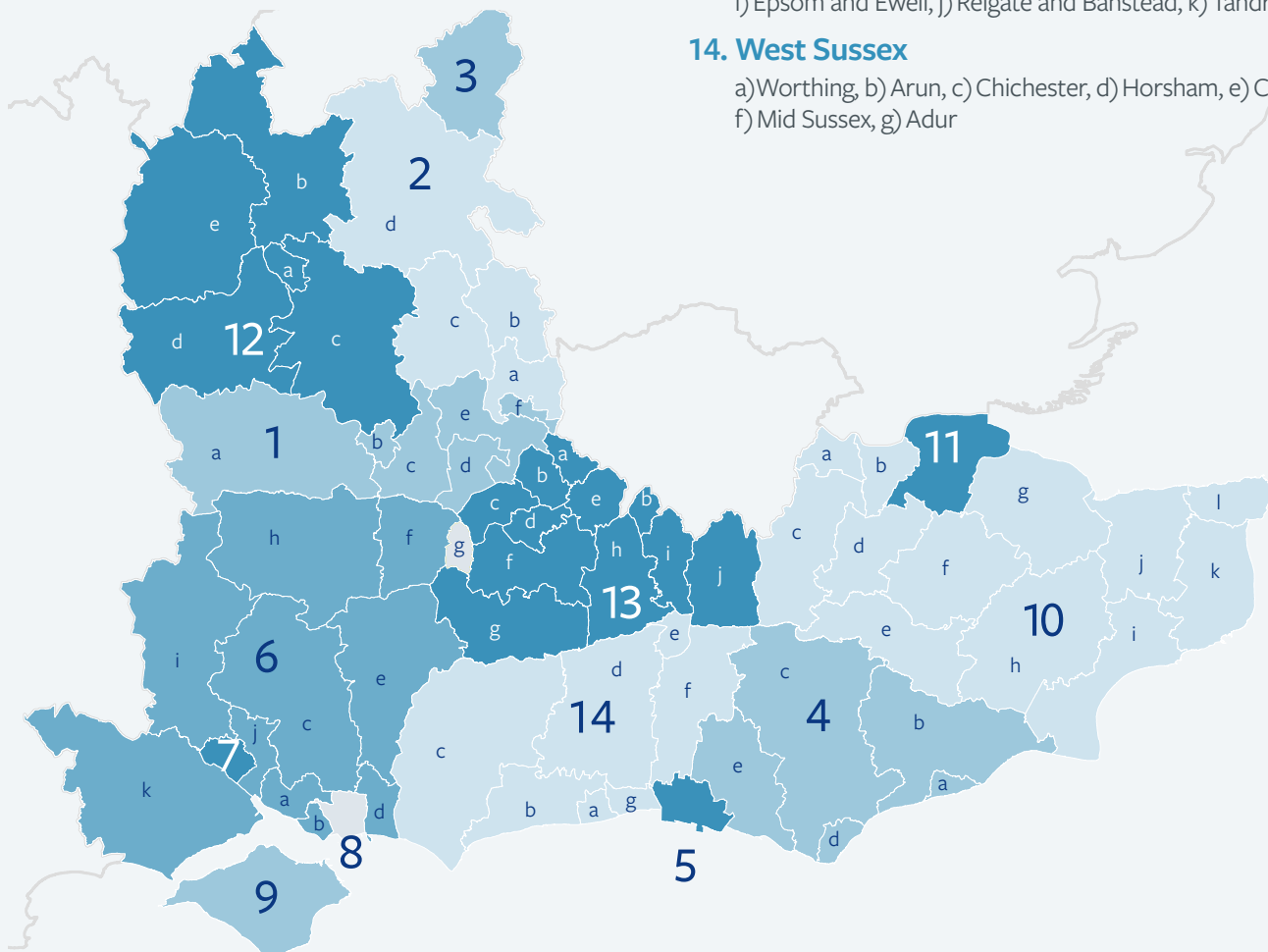
a) Oxford; b) Cherwell; c) South Oxfordshire,
d) Vale of White Horse; e) West Oxfordshire

13. Surrey

a) Spelthorne; b) Runnymede; c) Surrey Heath; d) Woking;
e) Elmbridge; f) Guildford; g) Waverley; h) Mole Valley,
i) Epsom and Ewell; j) Reigate and Banstead; k) Tandridge

14. West Sussex


a) Worthing; b) Arun; c) Chichester; d) Horsham; e) Crawley,
f) Mid Sussex; g) Adur



Akash Paun and Maddy Thimont Jack

Devolution to Yorkshire: The hole in the Northern Powerhouse?

On 16th March 2017 at Sheffield Hallam University, leading academics, campaigners and government representatives gathered to discuss the prospects for devolution to and within Yorkshire. As mayoral elections took place elsewhere in England on the 4 May, this paper discusses the main insights from the event and what may come next for Yorkshire.”



THE STORY SO FAR

Since plans for an elected regional assembly for the whole Yorkshire and Humber region (areas 1-8 on Map 1 on page 31) were abandoned, devolution to Yorkshire has been on the backburner. Small steps forward were taken with the 2011 Localism Act and the 2014 Growth Deals with the Sheffield City Region (Map 2) and Leeds City Region (areas 1c, 2, 3a, b, c and 4 on Map 1) Local Enterprise Partnerships. The real gamechanger came with the 2014 Greater Manchester devolution deal, as well as the previous government's wider commitment to its Northern Powerhouse strategy. These developments opened the way for 'devo deals' around the major city-regions of Yorkshire.

In 2015 the Sheffield City Region Combined Authority (SCRCA) (areas 1, 2, 4, 6, 8 and 9 on Map 2) signed a devolution deal with the government that promised an additional £30 million a year over 30 years to invest in growth and skills, along with an agreement that the SCRCA would have responsibility for the transport budget and strategic planning in the area. In a similar manner to other combined authority devolution deals, the SCRCA accepted the creation of a mayor as a central point of contact for central government.

The SCRCA currently includes Chesterfield in Derbyshire and Bassetlaw in Nottinghamshire as constituent members due to the towns' close economic links with Sheffield. This has undermined the plan to elect a mayor alongside the other metro mayors on the 4 May. Derbyshire County Council applied for a judicial review of the Chesterfield decision to join the SCRCA and the High Court found that the people of Chesterfield had not been properly consulted as to whether the town should become part of the city region. It ruled that the consultation process had to be repeated and the mayoral election delayed. Subject to the outcome of the consultation process, the current expectation is that the mayoral election will take place a year late in May 2018.

In 2015 the Sheffield City Region Combined Authority signed a devolution deal with the government that promised an additional

£30 million over
30 years

In comparison to the pragmatic approach taken by the Sheffield City Region, the West Yorkshire Combined authority (WYCA) (areas 2 and 4 on Map 1) sought a more ambitious deal for the Leeds City Region with greater fiscal responsibility and a total of 27 "devolution asks". Local leaders took a tougher line in the negotiations with Whitehall, stating that they would only accept the introduction of a mayor "if the powers and funding on offer from government match their substantial ambition for the city region's economy, infrastructure, jobs and housing". At our event, it was suggested that this bolder strategy reflected a belief that Leeds' status as a major economic hub would force the government to compromise in order to ensure a deal was made.

However, the WYCA proposal failed to gain an official response from government and is now considered dead. One speaker argued that the WYCA had overestimated their bargaining power. There was also discussion of the role of local Conservative MPs in blocking the deal. At least one MP has publicly confirmed that he lobbied against the deal due to the inclusion of York and Harrogate, which lie outside of West Yorkshire.

In February 2017 the WYCA instead began to explore the possibility of a pan-Yorkshire deal, which would include rural areas of Yorkshire that have been largely ignored by the devolution debate. A discussion paper outlined the WYCA vision and suggested that "an all of Yorkshire proposal would provide another avenue for the SCR [Sheffield City Region] to achieve their aims if their current work proves not possible, albeit on the basis of a single Yorkshire mayor".

GOVERNANCE ARRANGEMENTS

The devolution deals explored by the Sheffield City Region and Leeds City Region were based on the creation of a combined authority; the SCRCA and the WYCA were both established on 1 April 2014. The combined authorities were set up to provide a focal point of governance for devolved city regions, working alongside and holding to account the newly elected mayors. They are designed to enable a grouping of different councils to collaborate and make decisions in different policy areas across council boundaries. In our discussion, combined authorities at the city-region level were perceived to have become local powerbases in Yorkshire, meaning that they remain central to the WYCA vision of a pan-Yorkshire devolution deal.

Just as we have heard at previous British Academy events in the East of England and the North East, the mayoral model was generally unpopular amongst local councillors. As noted, the SCRCA accepted the prospect of a mayor as a necessary price to pay to agree a devolution deal, while in West Yorkshire there was an attempt to tie the introduction of a mayor subject to the scope of powers being devolved.

The different responsibilities of the combined authority and the mayor are laid out in the SCRCA devolution agreement, as well as their relationship to each other. For example, the deal specifies that the mayor consults the SCRCA Cabinet on their strategies, and that the Cabinet can amend the mayor's spending plans if two thirds agree to do so. These checks were described as important in persuading local councils to sign up to the deal, although it seems likely that the metro mayors will be the dominant players within the combined authorities.

GEOGRAPHY

The contested geography of the devolution deals in Yorkshire has been an obstacle to successful implementation. Although these combined authority areas are largely a return to metropolitan county areas abolished in 1986, both combined authorities in Yorkshire extend beyond the pre-1986 boundaries. As noted already, the SCRCA deal has been delayed because the Sheffield City Region includes councils in other counties: Chesterfield and Bassetlaw.

In addition, the Leeds City Region deal was to include various parts of North Yorkshire, including York and Harrogate, which were described as being part of a single functional economic area. As in the Sheffield case, this was a source of controversy in the region, with local MPs and council leaders from elsewhere in North Yorkshire opposing these plans.

One attendee suggested that the challenge of marrying differing political and economic geographies has been the key reason for the slow progress towards devolution in Yorkshire. This is compounded by the non-coterminous administrative geographies used in sectors such as education, policing, health and mental health. One participant even suggested that the dissimilar approaches to territorial organisation adopted by different government departments allowed Whitehall to “divide and rule” by preventing the emergence of powerful regional institutions.

The view was also expressed that the government's approach to devolution, focused on core cities, has meant that the needs of smaller cities and towns have been lesser priorities. One participant described smaller cities as being treated as “spokes around these [core city] hubs”. This was a source of frustration, given that smaller towns and cities often have lower economic output per head than the core cities as well as pressing infrastructure needs. For instance, Bradford was noted to be the largest English city not on a rail mainline.

“The challenge of marrying differing political and economic geographies has been the key reason for the slow progress towards devolution in Yorkshire.”

“Just as we have heard at previous British Academy events in the East of England and the North East, the mayoral model was generally unpopular amongst local councillors.”

The emphasis on urban-centred combined authorities has also left large parts of Yorkshire neglected altogether by the devolution discussion. This “grey area”, as it was described at our event, includes North Yorkshire, the East Riding and Hull (areas 3, 5 and 6 on Map 1), none of which formed combined authorities in 2014 when the SCRCA and the WYCA were established. This may help explain why these authorities are supporters of a pan-Yorkshire deal, although it is West Yorkshire that has recently taken the lead on this agenda.

The preferred proposal laid out in the discussion paper in February was for a structure of multiple combined authorities (including creating new ones in areas currently without) to collaborate on pan-Yorkshire issues alongside a single directly-elected mayor for the whole of the county. Again, there has been some confusion over the geographical nature of this proposed region. The Sheffield City Region was absent from the discussion, although the WYCA paper suggested that the delay on the SCRCA deal could offer a window of opportunity to bring in the whole of the historic county.

In terms of traction, there has been some support amongst councillors and MPs in Yorkshire, including in the Sheffield City Region. However, at our event, a number of attendees questioned the practicality of this model, arguing that the lack of current pan-Yorkshire institutions would make creating a whole new regional governance structure extremely difficult.

There was also some discussion of the still-more-ambitious suggestion of a devolution model encompassing the entire North of England. This idea is outlined in the recent IPPR North publication, *Taking back control in the North*, which argues that devolution to the North of England makes economic sense, as a larger geographic area is more likely to attract global investors and devolution to a wider region would encourage “a long-term path to greater fiscal autonomy... through risk-sharing at scale”. Furthermore, the report suggests that the idea of a devolved North would have greater salience with the population than previous plans due to the “recent resurgence of ‘northern imagination’” and because there are clear regional boundaries; only Chesterfield remains problematic.

WHY DEVOLVE?

A number of different reasons were posited as to why devolution to Yorkshire should be supported. The first logic was technocratic and held that certain types of economic policy decisions, for instance, relating to planning and infrastructure functions, are more efficiently taken at the city-region level than by either local or central government. The creation of new devolved institutions is therefore driven by a functionalist analysis that seeks to devolve specific powers where there is a defined economic case for so doing. City regions (such as Sheffield, the court challenge notwithstanding) with which successful deals have been struck were regarded as having responded pragmatically to the opportunity created by central government. By going with the grain of this Whitehall-led agenda, city regions could acquire some useful additional powers and flexibilities to tackle specific challenges such as the lack of affordable housing or poor transport coordination. While almost all participants at the event favoured devolution of these powers, this approach was perceived by many as unambitious and as lending itself to a weak form of devolution that would not meet the needs of Yorkshire.

A second, more political case for devolution held that creating democratic institutions at the regional level, including mayors, would provide better representation of regional interests at Westminster and in national political debate more generally. One participant made the comparison with the mayor of London, stating that Sadiq Khan is able to defend London's interests in the negotiations over the terms of Brexit and that it was important for Yorkshire to have a voice as well. It was suggested that having a clear voice for the advocacy of Yorkshire's interests was more important than the precise geographical footprint for devolution, given the urgency of the situation. It was pointed out that if there is no regional



governance architecture, then there are no institutions to which additional powers or budgets (for instance, relating to regional economic development) can be devolved once these are repatriated from the European Union. This perspective implies that it might be the 'soft power' of the new powers that is most significant, rather than the fairly narrow legal functions being devolved. It also takes a longer-term view in accepting a weak form of devolution as a first step towards something more substantial in future.

A third perspective went further and linked the case for devolution with broader arguments about regional identity, democratic reform and accountability. While it was recognised that the strong national identities found in Scotland, Wales and Northern Ireland did not exist in the same way at the subnational level in England, Yorkshire is seen as to some extent an exception, with a strong and historic regional sense of belonging. As noted, the case for devolution to the wider North of England was also made in reference to "a reimagination of cultural and historical identity".

The relationship between institutions and identity was also discussed at our event. For instance, some participants believed that the creation of institutions at the county or wider northern level would in itself develop or strengthen a sense of regional political identity. One attendee identified this as having happened in Italy, where regional identities have developed in response to the creation of regional political institutions. Stronger regional identity could in turn enhance the ability of the region to define and defend its interests in negotiations with central government, and to develop more ambitious ideas for how devolution could evolve, perhaps in time leading to a fundamental rebalancing of the English political system. From this perspective, devolution should be seen as part of a broader politics of democratic reform, in which creating a new locus for regional politics is more important than the precise powers being devolved.

WHAT DO THE PEOPLE WANT?

It is difficult to establish the level of public support for different proposed devolution models in Yorkshire due to the paucity of polling data at this scale. Drawing on polls conducted across England or the wider north, Professor John Curtice FBA FRSE, argued that there was "broad but shallow" support for local decision making but that this has not necessarily translated into support for specific forms of devolution.

In terms of the mayoral model, unpopular with local councillors, there were few strong opinions amongst the public, although when asked a majority of people polled did not agree that a mayor should be a precondition for devolution. Further, while a BBC/ComRes poll conducted in 2014 demonstrated a wide support for greater decision-making powers in local areas, an Institution of Civil Engineers/ComRes survey from February 2016 showed that, of those polled in the North of England, only 40% of respondents thought this would have a positive impact on local services, with 43% remaining unsure. There is also little apparent support for the devolution of fiscal powers .

WHAT TO DEVOLVE?

The logic behind devolution to combined authorities in England has been largely economic, with a focus on functions relating to infrastructure, housing and skills development. The proposal laid out by the WYCA also sought greater fiscal control, including 100% retention of business rates as well as pooling funding and assets of national and local public sector agencies within the region. By contrast, the city region approach agreed with the SCRCA has been about passing certain narrower functions down from Whitehall, particularly adult skills, the creation of a spatial framework when it comes to housing, and local transport. The deal also envisages continued close collaboration with central government, for example, working with UK Trade and Investment (now incorporated into the Department for International Trade) to boost trade and investment in the region.

One attendee at the event criticised how the devolution deals have been drawn up, arguing that there has been too much focus on the issue of electing a mayor and not enough on the practicalities of the deal. The deals were criticised for low levels of capital expenditure and challenged on how the proposed budgets would enable, for example, sufficient housing development in the region. Other attendees argued that a serious devolution model had to move towards greater fiscal responsibility for regional or local government, an issue neglected in current devolution deals. Concern was expressed over the current government's commitment to move towards business rate retention in local areas within a redistribution model to account for varying revenue. However, both business rates and council tax were judged to be flawed taxes which would fail to provide local government with useful fiscal levers to encourage balanced economic growth or to achieve other policy objectives.

WHAT NEXT?

There was general consensus among participants that the devolution deals already concluded will be carried forward with central and local government working together on implementation, but several attendees questioned whether Theresa May's government has the same commitment to pursue new devolution deals as its predecessor. The deprioritisation of devolution since summer 2016 was seen as a result of the personal views of the new Conservative leadership, as well as the reality that the Brexit negotiations will take up a great deal of government focus and resources, leaving little capacity to pursue additional 'devo deals'.

On 4 May voters will elect new 'metro mayors' in six areas of England where devolution deals have been finalised: Greater Manchester, Liverpool, the West of England, Cambridge and Peterborough, the West Midlands, and Tees Valley. In Yorkshire, there will be no such election, and as the attention of politicians swiftly shifts from the local elections to the general election on the 8 June, it will be worth watching whether the major parties commit to further devolution in their election manifestos. Even if they do, however, it seems unlikely that the devolution agenda will be anywhere near as high a priority as it was in 2015-16, when former Chancellor Rt Hon George Osborne, in particular, ensured that devolution was at the heart of the government's reform strategy.

This does not bode well for the chances of an ambitious deal re-emerging in West Yorkshire, and there may even be a question mark about whether the SCRCA deal now sees the light of day. There also appears little immediate likelihood of progress toward a pan-Yorkshire deal or a Council of the North of the kind favoured by several participants in our event. Ministerial responses to these proposals have been lukewarm, although Communities and Local Government Secretary Sajid Javid stated in a letter to West Yorkshire council leaders that "there is clearly enthusiasm for further devolution in Yorkshire, and I hope to see progress made". So, there appears to be some openness in Whitehall to an ongoing dialogue about further devolution to the region.

The immediate prospect, however, is that Leeds, Sheffield and the rest of Yorkshire will stand and watch as metro mayors take office in other parts of the north, including Greater Manchester and Merseyside. For now, Yorkshire risks becoming what one attendee termed "the hole in the Northern Powerhouse".

The Yorkshire and Humber Region

1. South Yorkshire metropolitan county, comprising:

- a) Sheffield; b) Rotherham; c) Barnsley;
- d) Doncaster Thurrock unitary authority

2. West Yorkshire metropolitan county, comprising:

- a) Wakefield; b) Kirklees; c) Calderdale; d) Bradford; e) Leeds

3. North Yorkshire County Council, comprising:

- a) Selby; b) Harrogate; c) Craven; d) Richmondshire; e) Hambleton; f) Ryedale; g) Scarborough

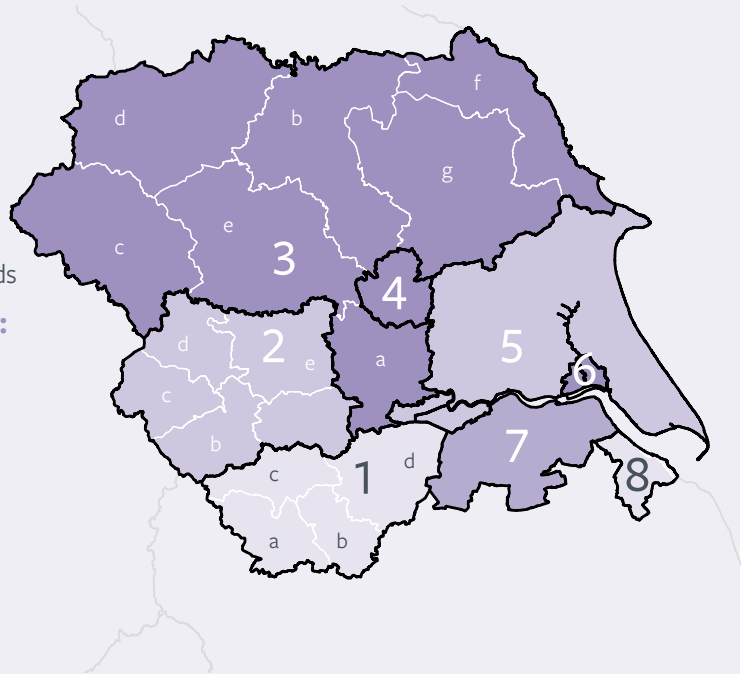
4. York unitary authority

5. East Riding of Yorkshire unitary authority

6. Kingston upon Hull unitary authority

7. North Lincolnshire unitary authority

8. North East Lincolnshire unitary authority



Map source: Map source: Dr Greg and Nilfanion. Contains Ordnance Survey data © Crown copyright and database right 2011 [CC BY-SA 3.0, via Wikipedia Commons: https://en.wikipedia.org/wiki/Yorkshire_and_the_Humber#/media/File:Yorkshire_and_the_Humber_counties_2009_map.svg]

Proposed Sheffield City Region

1. Barnsley

2. Bassetlaw

3. Bolsover

4. Chesterfield

5. Derbyshire Dales

6. Doncaster

7. North East Derbyshire

8. Rotherham

9. Sheffield



Map source: Sheffield City Region <https://i2.wp.com/www.sheffieldcityregion.org.uk/wp-content/uploads/2012/05/sheffield-city-region-map.png>

Akash Paun and Maddy Thimont Jack

Tests for the West: Devolution to the West of England

On 27th April 2017 a group of academics, local government representatives, Whitehall officials and trade unionists gathered in Bristol to discuss the opportunities and challenges for devolution to the region.

This paper draws out the key insights from the discussion as the new era of devolution in the region begins.



THE STORY SO FAR

On 4 May 2017 Conservative Tim Bowles was elected as the first ‘metro mayor’ for the West of England region, winning 52% of the vote in a second-round run-off against Labour candidate Lesley Ann Mansell. Mayor Tim Bowles will chair the new West of England Combined Authority (WECA) (Map 1 on page 38) spanning the three local areas of the city of Bristol, South Gloucestershire, and Bath and North East Somerset (also shown as areas 1, 3 and 4 in Map 2). The leaders of these three constituent councils will sit on the combined authority cabinet, which will scrutinise the mayor and have joint decision-making power in some areas.

The creation of these new institutions for the Bristol metropolitan area and surroundings did not emerge out of nowhere. Rather it is just the latest, if perhaps most significant, development in a longer story of devolution and partnership working in the West of England.

Until 1996 these three council areas, along with North Somerset (area 2 in Map 2), were all part of Avon Non-Metropolitan County Council. Avon was abolished as part of an ongoing programme of local government reorganisation, which also saw the six districts of Avon replaced by four new unitary authorities.

The first major attempt to revive a regional tier of governance in this part of England came with the creation of institutions covering the much larger South West administration region (areas 1 – 16 in Map 2) in the 1990s. This tier was strengthened by Labour after 1997, and included a Regional Development Agency, Regional Government Office and unelected regional chamber (with the initial plan for elected regional assemblies across England abandoned in 2004). However, the 2010-15 coalition government abolished this level of governance and instead focused on strengthening city and city-region level structures.

“The first major attempt to revive a regional tier of governance in this part of England came with the creation of institutions covering the much larger South West administration region in the 1990s.”

In 2012 the West of England signed the Bristol City Region City Deal, intended to encourage economic growth through greater freedom over spending. This was negotiated by the West of England Local Enterprise Partnership (LEP), formed in 2011, and its constituent local authorities – all four parts of the former county of Avon.

“In June 2016, however, North Somerset Council voted not to accept the devolution deal, with Councillor Nigel Ashton, Leader of the Council, saying it did not want “the additional costly and bureaucratic layer of decision making that a combined authority and metro mayor would bring.”

This geography was described in the deal document as reflecting the “economic realities of the city region” and it was further noted that these local authorities have formed “one of the longest established city regional partnerships in the country”. The City Deal was followed up by ‘Growth Deals’ made directly with the LEP in July 2014, and expanded in January 2015, which gave additional funding to the LEP to carry out its Strategic Economic Plan.

In March 2016 these same four local authorities signed a more ambitious devolution deal with the government. The deal committed to the creation of the new combined authority, to be chaired by a directly elected West of England mayor. It was agreed that the WECA would have control of additional funding of £30 million a year over 30 years to boost growth, as well as strategic powers over transport, housing and adult skills. At the British Academy event, the deal was described as providing an opportunity for local leaders “to do their best for the region”, as the extra funding on offer would enable the WECA to address key issues facing the area such as the lack of affordable housing and weak infrastructure.

In June 2016, however, North Somerset Council voted not to accept the devolution deal, with Councillor Nigel Ashton, Leader of the Council, saying it did not want “the additional costly and bureaucratic layer of decision making that a combined authority and metro mayor would bring”. The deal went ahead without North Somerset, so the WECA now consists of Bristol, South Gloucestershire, and Bath and North East Somerset.

PUBLIC ENGAGEMENT

At the event, a number of participants raised concerns over the low level of public engagement with, and understanding of, the devolution process. One reason for this was the way the devolution deal was agreed, primarily through private negotiation between officials and politicians at local and central levels. The fact that the legislation establishing the combined authority was only passed in February 2017 was also highlighted as a challenge, since this had left little time before the mayoral elections to educate the public about the new arrangements or for candidates to build their profile.

A specific problem in Bristol was that residents were confused by the new metro mayor post since the city already has an elected mayor as head of its council. Some residents thought the election was to replace current city mayor Marvin Rees, rather than to elect a new mayor for the wider region. On the other hand, residents in Bath and North East Somerset in 2016 rejected a proposal to switch to the mayoral model for their own council, with 79% of the population voting “no”. This made the imposition of a metro mayor unpopular.

The extent of public support for the creation of new devolved institutions also remains in question, even voters tend to support in principle the idea of greater decision-making power being held locally. Public opinion data presented at the event revealed “broad but shallow” support for devolution. Furthermore, very few voters strongly agreed that devolution to the region should be subject to the creation of the post of metro mayor.

For these reasons, there were concerns at the roundtable that low electoral turnout could undermine the legitimacy of the new mayor. In the event, turnout on 4 May came in at just under 30%. This was at the higher end of expectations at our seminar, and second highest of the six metro mayoral elections held on that day (after Cambridgeshire and Peterborough). There was some variation across the region, with turnout highest (at 31%) in Bristol and lowest (at 27%) in South Gloucestershire.

An abstention rate of 70% is hardly a sign of strong democratic engagement with the new institutions. However, as highlighted at the event, evidence from other elections suggests turnout might rise over time. For instance, just 27% of the electorate voted for the new post of mayor of Bristol in 2012, and even fewer (19%) voted for the Avon and Somerset Police and Crime Commissioner in that same year. Four years later, turnout had risen to 45% and 26% respectively. With the new mayor now in office, public awareness of the new devolution arrangements can be expected to increase, and we will find out in 2020 whether this translates to a significant increase in voter turnout.

A number of attendees stressed the importance of the new mayor securing “early wins” that are highly visible to the public and demonstrate the purpose of the new arrangements. One participant pointed to the example of the integrated transport and ticketing systems brought in by the mayor of London after 2000 and suggested that the new mayor in the West of England should prioritise something similarly eye-catching.

A RETURN TO AVON?

As discussed at the British Academy event, the new combined authority to some extent marks a return to the old two-tier council structure, in which Avon County sat above six district councils. As noted above, the WECA was to have included all four successor councils, but only three went ahead with the deal. Nonetheless, some concerns were expressed at the event that the new structure might replicate some of the unpopular elements of the old two-tier system, such as excessive bureaucratic layers of government and dominance by Bristol of the surrounding districts.

The concern was not unanimous and some questioned the idea that this was a return to the old model. The geography of the WECA may cover a similar area to Avon, but, while Avon Council was a large organisation employing thousands of people, the WECA will have a much smaller team to set strategic direction rather than to absorb delivery functions from its constituent councils. Also, while Bristol is much larger than the other two unitary authorities,⁷ the decision-making arrangements state that each of the three constituent councils, along with the metro mayor, has a single vote in the WECA. One participant felt that this meant Bristol would not be able to dominate the agenda in the same way it was perceived to have done in Avon.

“North Somerset’s absence from the WECA also means the geography of the combined authority does not replicate precisely the geography of Avon County.”

North Somerset’s absence from the WECA also means the geography of the combined authority does not replicate precisely the geography of Avon County. One participant described it as “quite disappointing that North Somerset decided not to join us on this journey”. However, it was noted that while North Somerset would consequently not have access to the new funds, it would still have to work closely with the other three areas on certain issues, particularly in terms of infrastructure. North Somerset Council is still involved in the West of England LEP and there is both a joint spatial and a joint transport plan in the region. Also, as one participant observed, Bristol airport is located in North Somerset, so infrastructure and transport planning for the region will inevitably involve coordination with North Somerset Council.



There was also some discussion about a devolution model that could encompass a wider geographic area, beyond the old county of Avon. One attendee suggested that the WECA should eventually expand to include the whole of Somerset, while another participant was concerned about the way that the WECA deal has separated this area from the rest of the ‘South West’ including Devon and Cornwall, arguing that the current approach might serve to reinforce regional inequality. A larger regional structure to address certain issues, such as transport, was proposed in order to ensure that the counties further to the South West are not left behind. Others were sceptical, however, and felt that the WECA area had little in common with the wider and more rural South West, and that it made more sense to strengthen economic links with other urban centres including London and Cardiff.

In the short term, however, an expansion of the metro mayoral area seems unlikely, given the difficulties faced in establishing the three-council combined authority and mayor. For now, Mayor Tim Bowles must invest in building a strong relationship with key stakeholders in the region. The governance model rests upon the ability of the mayor and council leaders to work in partnership with each other as well as with the LEP and other bodies. The history of collaboration between the councils in the area is a good sign but it is important they build on this to form a strong relationship with the new mayor. This will help realise the opportunity to address some of the constraints to growth across the region, and to build a case for further devolution in future.

“There was also some discussion about a devolution model that could encompass a wider geographic area, beyond the old county of Avon.”

THE MAYORAL MODEL

The devolution model agreed with the government created the new combined authority composed of the leaders of the three constituent councils as well as the new mayor, who will chair the new body. The respective powers of the mayor and the council leaders are established in the combined authority Constitution, published in March 2017.

The Constitution establishes that decisions of the combined authority must be approved by a majority, with no casting vote for the mayor, and a clause stating that “if a vote is tied on any matter it is deemed not to have been carried out”. Furthermore, major decisions including approval of the Constitution, adoption of a spatial development strategy, and approval of borrowing limits all “require a unanimous vote” by all four members of the WECA.

The four councils of Bristol, South Gloucestershire, Bath and North East Somerset, and North Somerset had initially explored the concept of devolution to the area without a mayor, but the government made clear that this was a non-negotiable aspect of sealing a devolution deal. This was noted by several participants as the main reason for North Somerset having withdrawn.

Participants at the event argued that the local authorities of Bristol, Bath and North East Somerset, and South Gloucestershire had a positive history of collaboration and therefore did not need a new mayor to cut across local rivalries and drive through decisions at the regional level. It was argued that the infrastructure for collaboration was already in place, for example, through the West of England strategic partnership, and there was concern an elected mayor may complicate existing relationships.

However, the constituent councils ultimately took a pragmatic approach and accepted the introduction of a mayor both in order to gain the extra budgets and powers on offer now, and also with a view to the future. As one local figure put it, any further devolution would likely come down the mayoral route, so if the councils had not cooperated, the area could have been left behind.

While none of the local government representatives were hugely enthusiastic about the mayor, some in the room did recognise that having a single elected representative would make it easier for central government to negotiate with the West of England area, including over the transfer of additional functions. The creation of this single point of accountability is at the heart of the central government case for elected mayors.

It was also argued at the event that the new metro mayor will wield significant soft power deriving from their direct democratic mandate, enabling him to be a more effective champion of the region in public debate and in negotiations with Westminster. One speaker pointed out that, during the campaign, Tim Bowles and other candidates had already discussed policy areas outside the scope of the formal powers of the mayor. This is in line with the idea that the metro mayor is best understood as a “leader of place” rather than just the leader (or chair) of the combined authority.

Some local government representatives at the event had favoured an alternative governance model involving a rotating chair between the member authorities on the WECA. However, another participant felt that this model might have been more convenient for the councils in question, but it would have been less comprehensible to the public than a single high-profile champion for the whole region. There was also speculation over the role a mayor could play in encouraging a stronger sense of regional identity in the West of England area.

WHAT HAS BEEN DEVOLVED?

Like the other devolution deals, the main areas where Mayor Tim Bowles and the WECA will have responsibility are housing, infrastructure and skills development policy in the region. Participants at the British Academy event noted that Bristol City Region is the most productive in England outside of London and the South East, but that, partly as a result of its economic success, it faces a set of challenges that threaten its continued growth, notably in terms of housing development and investment in skills. Participants at the event also highlighted that an important task ahead was to ensure inclusive growth across the region and not to focus disproportionately on the opportunities in Bristol.

“The main areas where Mayor Tim Bowles and the WECA will have responsibility are housing, infrastructure and skills development policy in the region.”

The devolution deal gives the WECA “power over strategic planning, including to adopt a statutory spatial development strategy... the framework for managing planning across the West of England region”. At the event, the issue of affordable housing was emphasised as one of the key challenges facing the WECA: a 2016 Lloyds Bank study found that both Bath and Bristol were in the top 15 least affordable cities to live in the UK, as measured by the average house price-to-earnings ratio. Mayor Tim Bowles’ main policy idea so far has been to highlight the opportunity for brownfield regeneration, stating that “too often green field development has been the ‘easy’ option”. The responsibility for a spatial development strategy will enable Mayor Tim Bowles and the WECA to pursue this potential in the West of England region.

Linked to the need for more housing is the wider issue of infrastructure. Attendees at this event voiced concerns around infrastructure, which they felt was vital as Bristol continues to expand into its neighbouring areas. The agreement with the government states that the West of England authorities will submit a Joint Spatial Plan and a Joint Transport Plan by the end of summer 2017 as well as a delivery plan “with proposals to fund this through devolved infrastructure funds and other appropriate programmes”. As noted, North Somerset Council will still be involved with these plans. The current understanding is that after May 2018 the mayor “will have responsibility for a Spatial Development Strategy for just the combined authority Area”. The interconnectivity with North Somerset, however, means that continued cooperation in certain areas will be necessary.

Under the terms of the deal, the WECA also gains responsibility for the 19+ Adult Education Budget from the academic year 2018/19. This will make it responsible for “allocations to providers and outcomes to be achieved”. It will also assume responsibility for the Apprenticeship Grant for Employers (AGE), to incentivise employers to offer apprenticeships. One specific issue identified at the event was that a lot of skilled workers are being employed as part of the Hinkley Point C nuclear power station project, which may cause shortages of certain skills for the rest of the region. Therefore, devolution is seen as an opportunity to work with the further education sector to ensure that sufficient investment in skills is made over the coming years. One participant suggested that the LEP could help the WECA understand what that skills shortage looks like and how to compensate for it.

Looking further ahead, it was also recommended that the new mayor watches carefully how his counterparts in the five other combined authority areas make use of their new powers. Since each devolution deal is somewhat different, there may be opportunities to make the case for further devolution based on experience of devolution elsewhere. For example, there was interest in how the devolution of social and health care responsibility will play out in Greater Manchester and therefore whether there would be an opportunity for other combined authorities to follow suit in future.

FUNDING DEVOLVED GOVERNMENT IN THE WEST OF ENGLAND

There was discussion at the British Academy event of whether fiscal powers should be transferred from Westminster to support the ambition of the new devolved bodies. The West of England is due to take part in the pilot of 100% retention of business rates revenues by 2020. The current structure of this pilot means that the West of England will have transport grants funded from retained business rates, and the consultation, published in 2016, states that “the government remains open to the possibility that some grants devolved through devolution deals could be funded from retained business rates in future”. This is part of a wider scheme by central government to move away from funding local authorities through central government grants, the intention being to incentivise areas to stimulate growth.

The above-average growth in the Greater Bristol region means that this scheme could be a real opportunity for the West of England. The Local Government Finance Bill 2016-2017 was due to implement this reform and would have also enabled mayoral combined authorities to impose business rate supplements. However, the unexpected early dissolution of Parliament meant that the bill was not passed in the last session. New legislation will have to be introduced by an incoming government after the general election on 8 June before the WECA and its constituent authorities gain even these limited fiscal levers.

“Abandonment of business rate localisation would be a setback for the devolution agenda, but many participants at the event were sceptical that this was the optimal model for strengthening local fiscal powers in any case.”

However, both the Conservative and Labour manifestos pledge to review the business rate system, so it is uncertain whether this will happen.

Abandonment of business rate localisation would be a setback for the devolution agenda, but many participants at the event were sceptical that this was the optimal model for strengthening local fiscal powers in any case. For instance, it was pointed out that since business rates fall only on medium and large businesses, local authorities would have no incentive to encourage the growth of small/home-based businesses. Revenue from this tax was in any case heavily dependent on economic decisions and forces far beyond the control of local actors, so one speaker questioned whether this reform would simply devolve risk without the power to mitigate that risk.

Also, because business rate revenue is strongly linked to commercial property values, there is a significant variation in revenue between different parts of the country. Ongoing redistribution between areas will therefore be needed, but it is as yet unclear how this will work. At the local level, one participant also wondered whether Bristol and North East Somerset would, in future, pool its business rates revenue with its WECA partners rather than with the rest of Somerset. Participants at the event therefore discussed alternative approaches to funding local government – at council and/or combined authority level – for example, through a local sales tax or the assignment of a share of local income tax. There is as yet no apparent interest in such reforms at central government level.

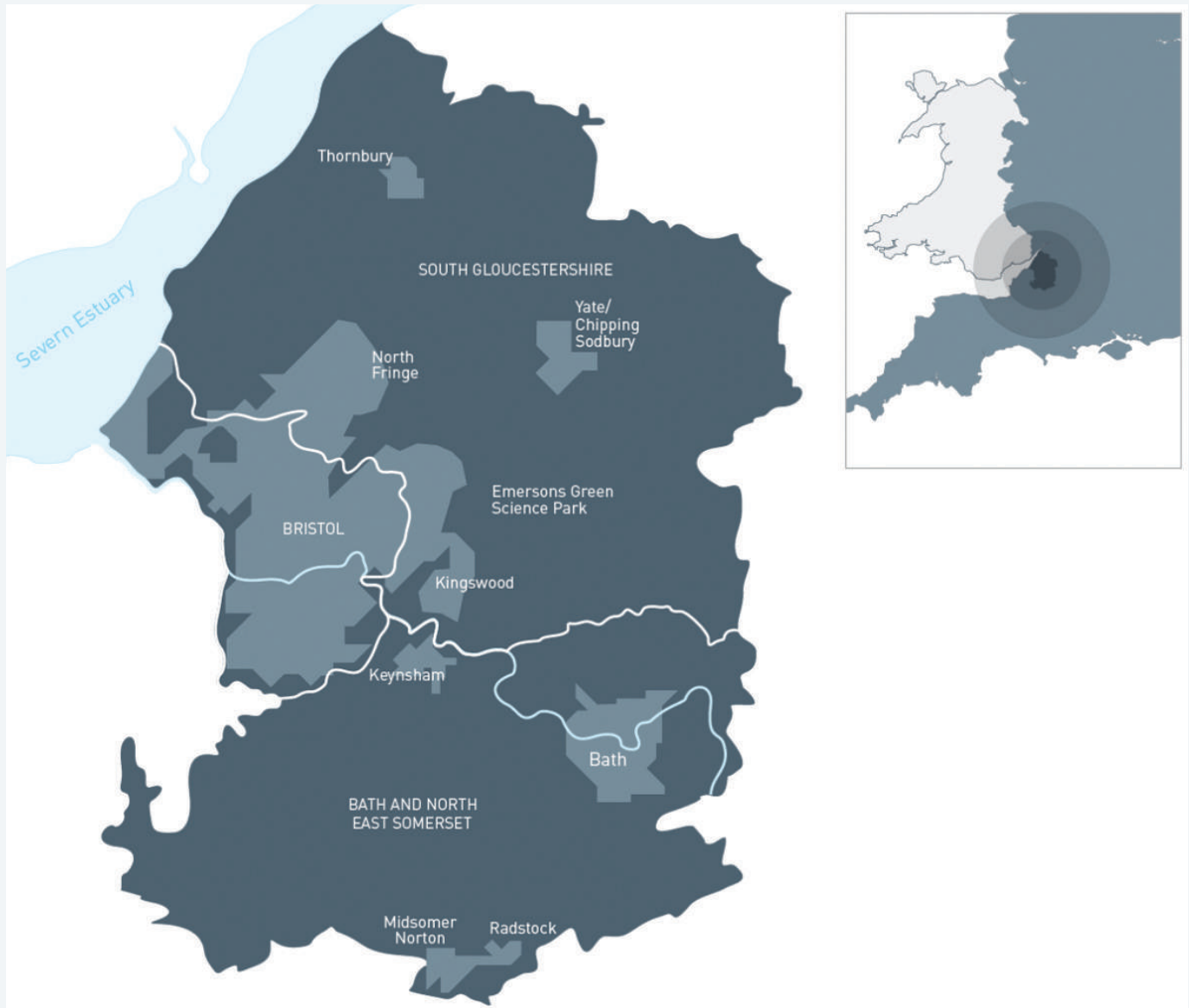
The new mayor therefore takes office without any significant fiscal powers within their control. Whether this situation will change may depend on the next government’s commitment to the process of ongoing devolution to the West of England and other parts of the country.

THE PATH AHEAD

Overall, the local voices at the event were positive about the potential of this new era of devolution to enhance the ability to respond to the needs in the area. As noted, there are still also some concerns about whether the powers and budgets on offer are sufficient for the scale of the task, along with continued irritation about the imposition of a mayor by Westminster.

Nonetheless, there was an evident ambition that the three local areas and the new mayor would manage to rise above local parochial interests to take collective decisions in the interests of the whole region, with a view to taking on further powers over time. Mayor Tim Bowles therefore comes to office with an opportunity to build upon this goodwill and to work with his local partners to develop an economic and investment strategy for the whole region, and to amplify the voice of the West of England in national political debate.

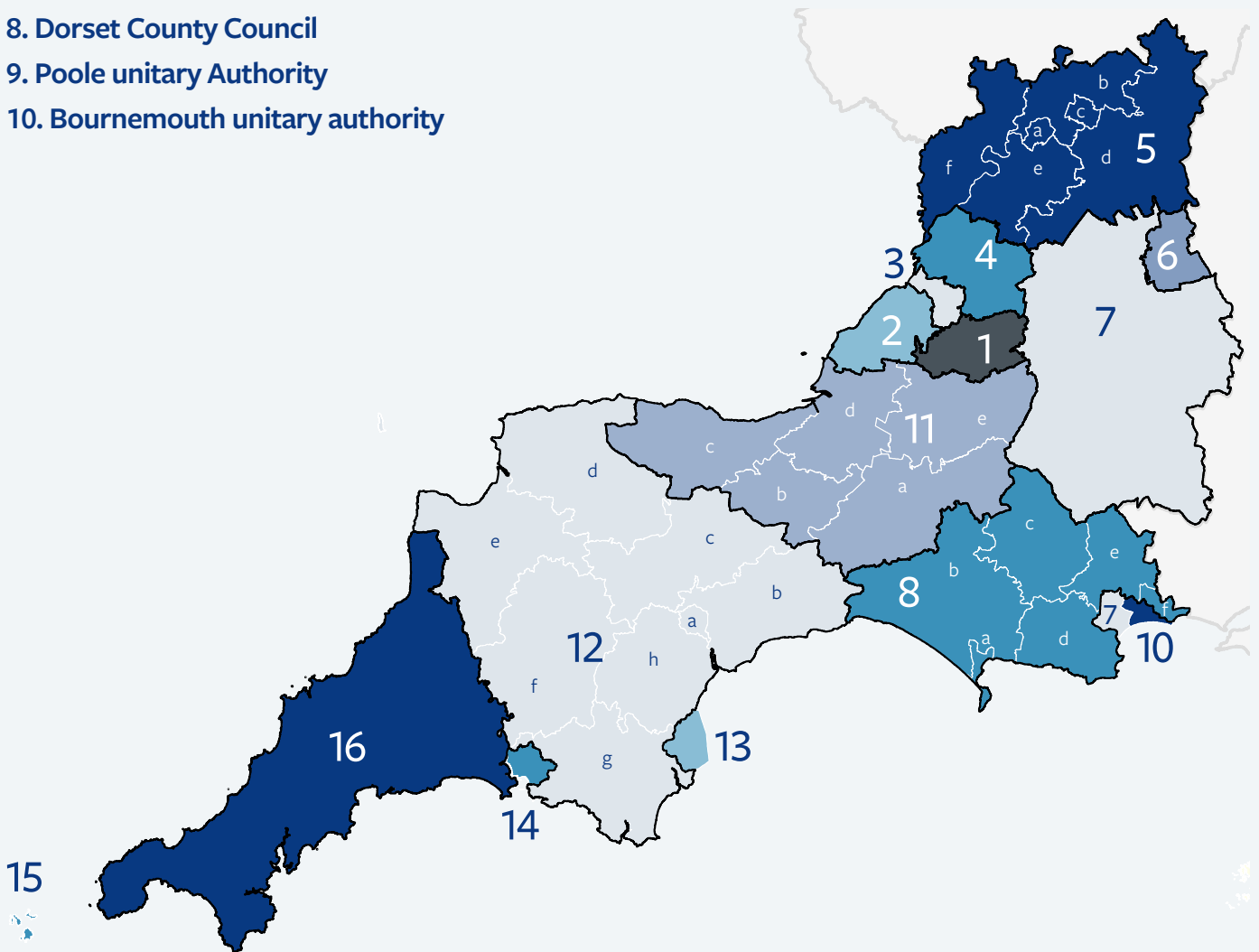
West of England combined authority



Map source: West of England Combined Authority <https://www.westofengland-ca.org.uk/about-us-2/>https://en.wikipedia.org/wiki/South_West_England#/media/File:South_West_England_counties_2009_map.svg

South West of England Region

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> 1. Bath and North East Somerset unitary authority 2. North Somerset unitary authority 3. Bristol unitary authority 4. South Gloucestershire unitary authority 5. Gloucestershire County Council 6. Swindon unitary authority 7. Wiltshire unitary authority 8. Dorset County Council 9. Poole unitary Authority 10. Bournemouth unitary authority | <ul style="list-style-type: none"> 11. Somerset County Council 12. Devon County Council 13. Torbay unitary authority 14. Plymouth unitary Authority 15. Isles of Scilly unitary authority 16. Cornwall unitary authority |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



Map source: Map source: Dr Greg and Nilfanion. Contains Ordnance Survey data © Crown copyright and database right 2011 [CC BY-SA 3.0, via Wikipedia Commons: https://en.wikipedia.org/wiki/South_West_England#/media/File:South_West_England_counties_2009_map.svg]

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- 7 Bristol's population in the 2011 census was 428, 000 to South Gloucestershire's 262,000 and Bath and North East Somerset's 176,000.

Acknowledgements

We would like to express our sincere thanks to all members of the Governing England working group:

- **Professor John Curtice FBA FRSE FRSA**
Professor of Politics, University of Strathclyde
- **Professor Rt Hon John Denham**
Director of the Centre for English Identity and Politics, University of Winchester
- **Professor Jim Gallagher**
Visiting Professor, University of Glasgow, and Nuffield Associate Member, Oxford
- **Professor Michael Kenny**
Professor of Public Policy, Department of Politics and International Studies, University of Cambridge
- **Guy Lodge**
Gwilym Gibbon Fellow at Nuffield College, Oxford
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Professor of Politics, University of Oxford; Director of the Gwilym Gibbon Centre for Public Policy, Nuffield College; Fellow of Nuffield College; Senior Research Fellow in Politics, Nuffield College, Oxford
- **Professor Meg Russell**
Professor of British and Comparative Politics and Director of the Constitution Unit.

Special thanks to David Philips, Associate Director of the Institute for Fiscal Studies for his input and advice.

We would like to thank all participants at the roundtable events for their contributions. We would like to express our thanks to Carnegie UK Trust for their support for the Governing England project.



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