

## Heart of the South West Joint Committee

### Briefing Note – Devolution in England

#### National Context

In the Queen's Speech in October, the Government announced that it would bring forward a long-awaited Devolution White Paper. The Government's pledge was to increase the number of devolution deals and directly elected (Metro) mayors, in addition to 'levelling' up the powers between mayoral combined authorities.

The devolution of powers and funding to local areas started with the first Greater Manchester Devolution Deal in November 2014. The pattern continued over the next few years with deals being negotiated with groups of local authorities that agreed to form a combined authority and to have a directly elected mayor. Cornwall secured a devolution deal in 2015 without these prerequisites, however the scale of powers devolved and nature of the deal is very different from the others. London also has a different version of devolved powers and a directly elected mayor and is generally considered to be a special case. There are therefore 8 mayoral combined authorities across England that have devolution deals.

There are two more combined authorities that have not yet secured devolution deals. West Yorkshire (Leeds City Region) made up of 11 councils rejected a deal with Government on the basis that it failed to match their expectations. They are now pursuing a single 'One Yorkshire' deal which would cover a larger geography and for which there is now general support from the main political parties. This would be established after the end of the first term of the Sheffield City Region metro mayor in 2022. Further details are in Appendix 2.

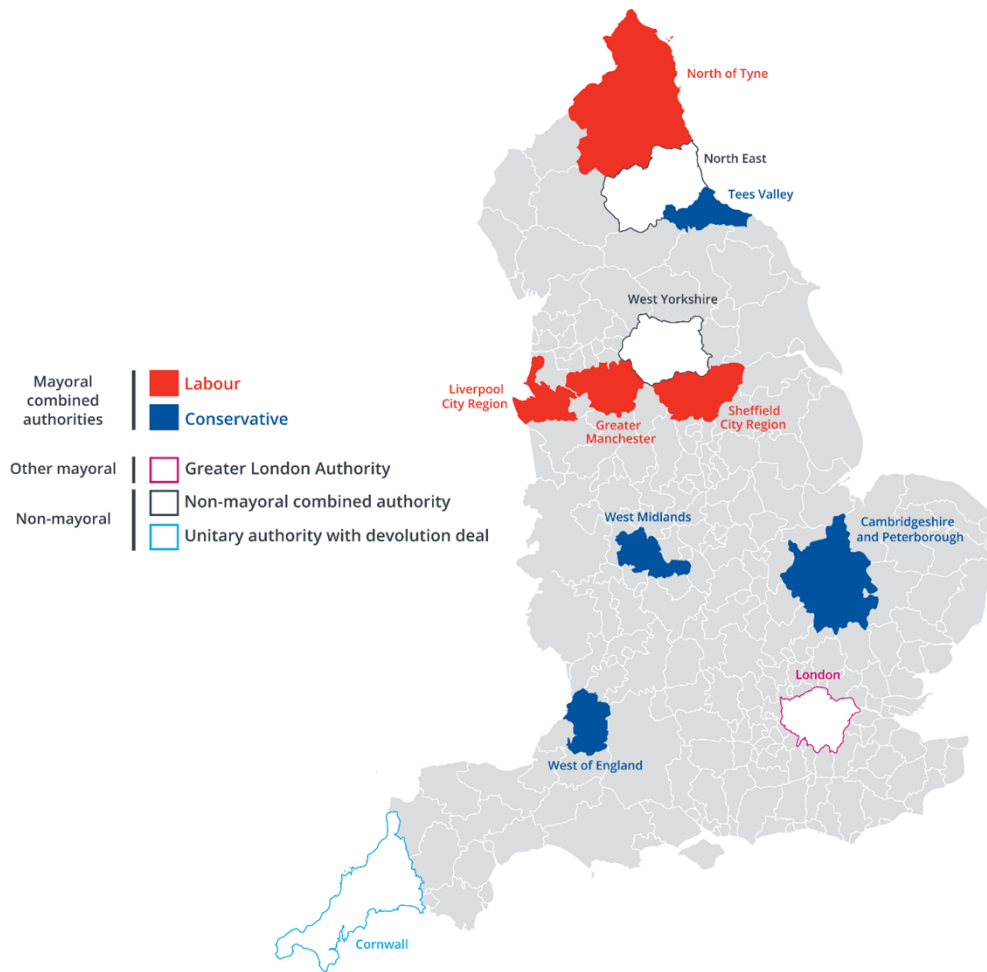
The North East Combined Authority covers County Durham, Gateshead, South Tyneside and Sunderland councils. Newcastle, Northumberland and North Tyneside councils were originally part of the same group but broke away following failed negotiations on a devolution deal in late 2016. They went on to create a separate combined authority and to successfully negotiate a devolution deal with Government in late 2017 (North of the Tyne).

Following the announcement of the general election, the main political parties have now published their manifestos. The sections relating to devolution to the regions are reproduced in Appendix 1. Each of the main parties appear committed to continuing to devolve powers and decentralise decision-making to a greater or lesser extent.

With this in mind, and as preparation for a fuller discussion at the January Joint Committee meeting, this briefing note provides a summary of the state of devolution deals and combined authorities across England. Further information can be found [here](#). A map showing the mayoral combined authorities with devolution deals is below, together with a table comparing the powers and funding.

Current state of English devolution, by mayoral arrangement and metro mayor party

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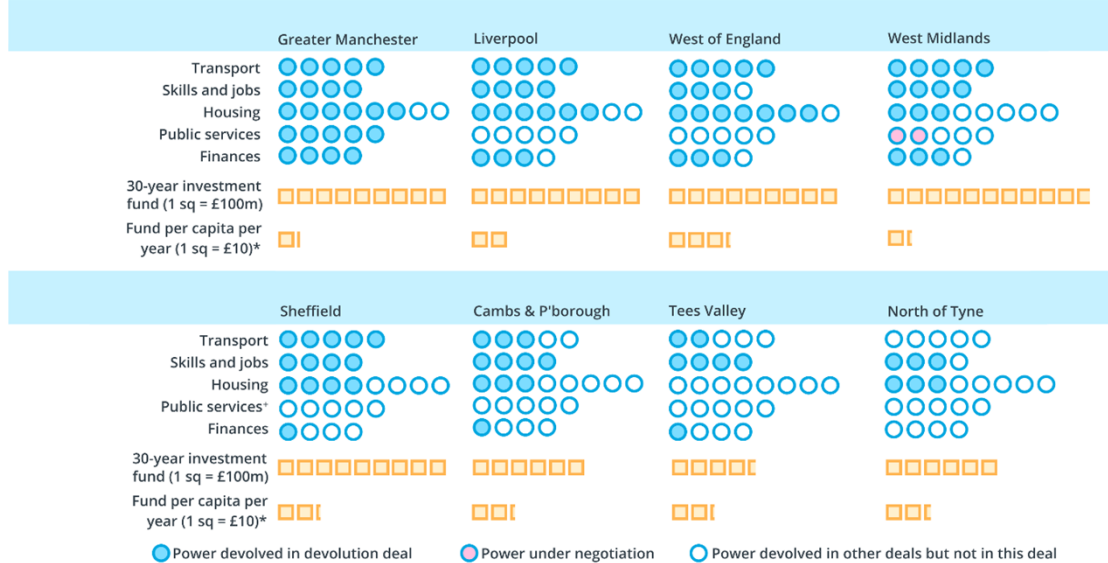


Source: Institute for Government analysis of combined authority websites, June 2019.

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Devolution deal coverage, showing number of powers devolved by subject in each deal

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Source: Institute for Government analysis of House of Commons Library, Devolution to local government in England report, May 2019. The shaded circles represent the number of powers devolved in each deal. \*Public services includes powers over health and social care integration, children's services, and those transferred from the police and crime commissioner. \*Funding per capita is based on ONS population data for the years in which deals were introduced (other than the North of Tyne, for which the most recent data is from 2017).

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### Local Context

The Heart of the South West Joint Committee originally came together as a partnership at the end of 2015 to pursue a devolution deal with Government. However, as Government agendas moved on, particularly following the EU Referendum in 2016, devolution faded as a policy priority and the partnership focussed its energy on developing the Productivity Strategy. In March 2018 the partnership formalised the arrangements to establish the Joint Committee.

There are clear differences between Combined Authorities and Joint Committees, which are set out in the table below.

### Comparison between Joint Committees and Combined Authorities

Criteria	Joint Committee	Combined Authority
Process and timeframe	By agreement through local councils - timeframe locally determined	Requires agreement by the SoS and the consent of local councils, and a Parliamentary Order Can take 12 -18 months to establish
Status and powers	Non-statutory No new powers Joint decision-making on issues identified locally as appropriate	Statutory body Original scope was economic development, transport and regeneration. Now have access to a wide range of powers that can be negotiated with Government
Minimum criteria to set up, and required roles	Locally agreed purpose and scope	<ul style="list-style-type: none"> <li>• Must improve the delivery of its functions in the area it covers</li> <li>• Must help to secure effective and convenient local government</li> <li>• Must reflect local identity and the interests of local communities</li> <li>• Requires identified Head of Paid Service, Chief Finance Officer and Monitoring Officer roles to be covered</li> </ul>
Funding	Minimal cost - to cover basic secretariat functions and a work programme as agreed	Levy on all members to meet the costs of statutory roles - in addition to covering the cost of any functions delivered by the CA
Membership	Local authorities and others as non-voting members	Only local authorities are 'constituent members' - other organisations can subsequently become 'non-constituent' members or associate members, including those outside the CA area
Relationship with the LEP	LEP is a member of the JC	LEP is a member of the CA

**Powerhouses**

A further construct of recent government policy are the ‘Powerhouses’. There are currently three with a fourth emerging. These are the Northern Powerhouse (the first), the Midlands Engine and the recently announced Western Gateway. The Oxford- Cambridge Arc has not officially been launched as a powerhouse area but has similar characteristics.

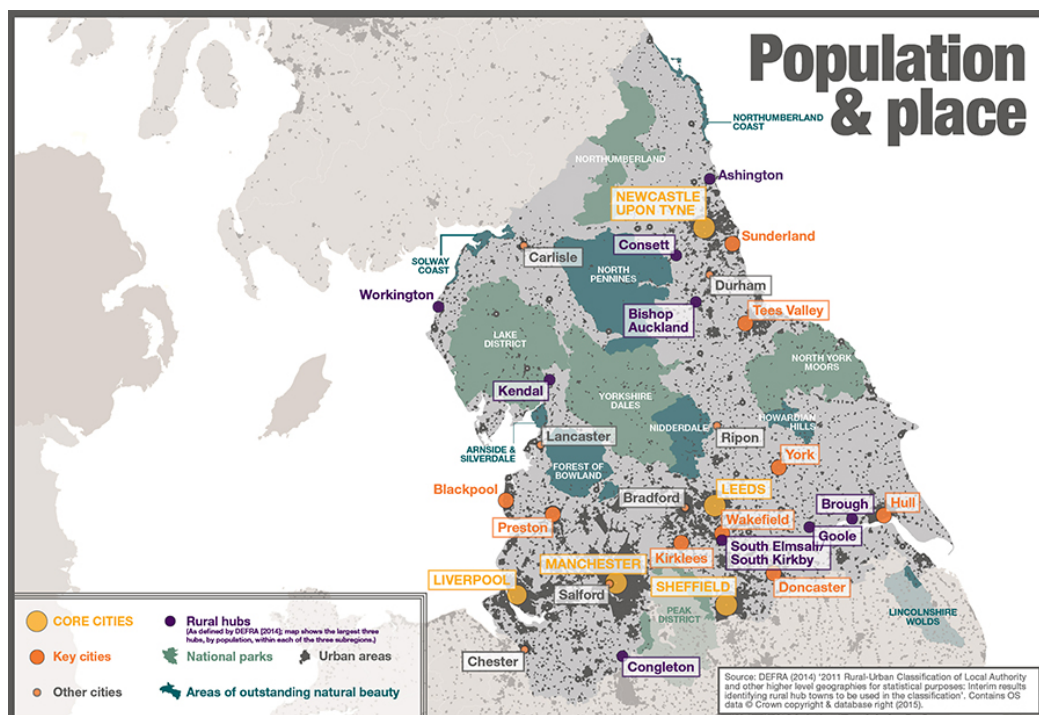
The powerhouse areas are a way for government departments to engage across a larger geography, to drive economic growth, channel funding, and with a clear branding to attract inward investment. They benefit from substantial government funding, preferential treatment and government ‘co-ownership’ but are made up of individual local authorities and combined authority groupings who are the decision-making bodies, together with elected mayors where they are in place.

A House of Commons Briefing paper entitled [Devolution to local government in England](#), published on May 2019 contains the statement below. Although produced by a think tank (IPPR) and not stated government policy, the recent launch of the Western Gateway suggests government is broadly following this model.

*‘The IPPR’s Commission on Economic Justice published its final report in September 2018. This proposed four ‘regional economic executives’, covering the North, Midlands, South-East and South West. These would be governed by an indirectly elected council of local authority members, and would be responsible for industrial strategy, infrastructure planning, inward investment and immigration*

*These would sit above a comprehensive pattern of combined authorities with revenue-raising powers and substantial responsibilities.’*

**The Northern Powerhouse Geography**



The Northern Powerhouse characteristics include:

- The statutory body **Transport for the North**.
- The **Northern Powerhouse Partnership**, a private sector group aiming to increase investment, with support from the Government;
- a '**Council of the North**' or '**NPII**', launched by the Government in June 2018. This is an advisory body made up of the chairs of the 11 Local Enterprise Partnerships in the area;
- the **Convention of the North** was a conference held in Newcastle in early September 2018 for politicians and stakeholders. The Convention planned to:
  - Create a powerful, coherent voice for the North...
  - Building a shared, inclusive and positive platform for cross-party political leadership and direction
  - Focus on common issues such as transport and the need for further devolution post-Brexit...
  - Provide a recognised and respected engagement channel for residents and stakeholders to shape and articulate the North's priorities.

**A recent publication by NPII - 'Manifesto for the North' set out the key asks and offers.**

The game changers pledged for the North are:

1. Local control of education and training, skills provision that is systematically connected to the North's businesses and growth needs, creating opportunity for all our people.
2. A commitment to rebalancing the economy as a formal HM Treasury objective, delivering transformational investment to power up the North, a formal commitment to rebalancing in the Green Book, and Office for Budget Responsibility measurement of progress towards this objective.
3. A transport budget for the North, enabling full delivery of the Transport for the North plan and supporting the devolution of control and shared accountability for the region's rail network.
4. Ownership of, and freedom to lead, investment and trade activities to drive export led growth, with a greater scale of investment to level up the North's export and inward investment activities.
5. Backing the North to lead the green industrial revolution, harnessing and investing in its prime capability in renewable energy, decarbonising industry, retrofitting existing housing stock and building new homes to the highest standards

**The Western Gateway**

This was launched by government on 1<sup>st</sup> November and whilst the geography has not been clearly defined, it broadly stretches along the M4 corridor from the West of England (Bristol/Bath) to Cardiff and Swansea.

# Leaders

for the Heart of the South West

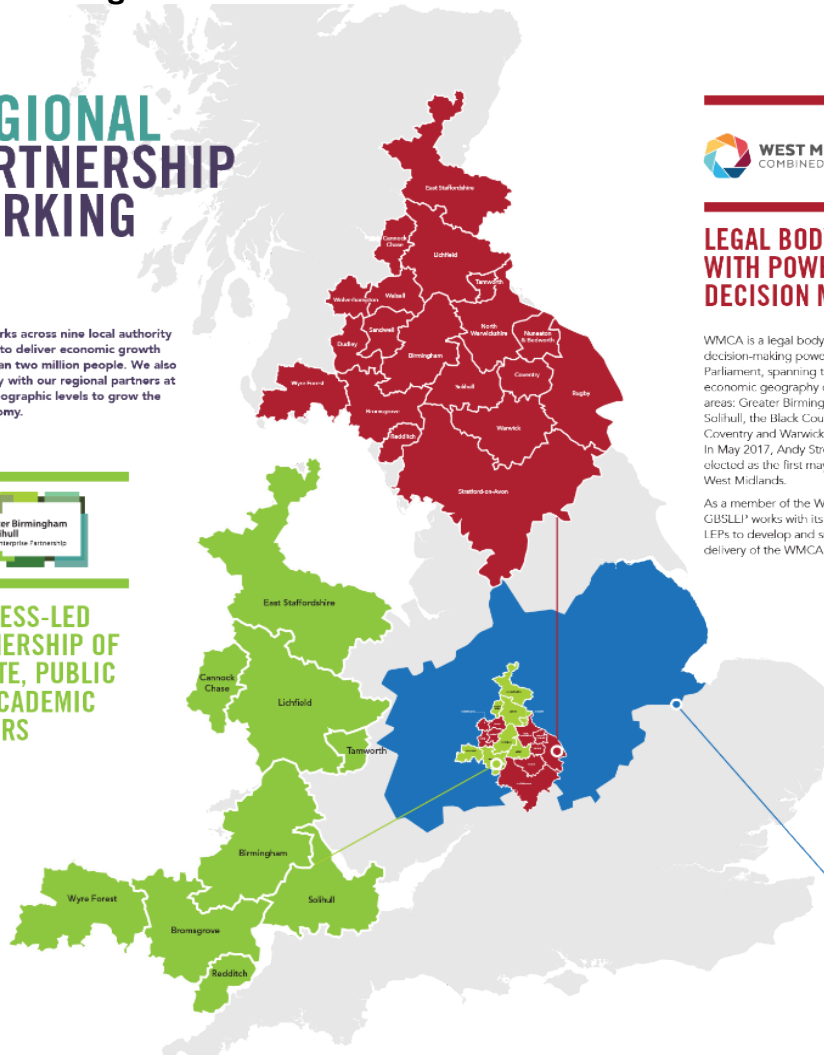
## The Midlands Engine

### REGIONAL PARTNERSHIP WORKING

GBSLEP works across nine local authority boundaries to deliver economic growth for more than two million people. We also work closely with our regional partners at different geographic levels to grow the wider economy.



### BUSINESS-LED PARTNERSHIP OF PRIVATE, PUBLIC AND ACADEMIC SECTORS



### LEGAL BODY WITH POWERS OF DECISION MAKING

WMCA is a legal body with decision-making powers granted by Parliament, spanning the functional economic geography of three LEP areas: Greater Birmingham and Solihull, the Black Country, and Coventry and Warwickshire. In May 2017, Andy Street was elected as the first mayor of the West Midlands.

As a member of the WMCA, GBSLEP works with its neighbouring LEPs to develop and support delivery of the WMCA SEP.

The WMCA SEP sets out the vision, objectives, strategy and actions to improve the quality of life of everyone who lives and works in the West Midlands. It recognises that a stronger West Midlands is not only good for its residents and businesses – but for the UK economy as a whole.

This year we have worked with our fellow LEPs to support the delivery of the WMCA SEP by:

- Collaborating on our respective Growth Deal 3 bids to Government
- Developing a joint response to the National Industrial Strategy Green Paper
- Jointly funding a Science & Innovation Audit to inform our LEP and WMCA investment priorities and future negotiations with Government
- Contributing to the ongoing devolution deal negotiations with Government
- Collaborating to develop a complementary Growth Hub offer to local businesses including investing in shared online procurement tool HVM (High Value Manufacturing) City
- Launching the 'Energy Capital' initiative to make the West Midlands a leading centre for energy innovation
- Developing a cultural, creative and visitor economy strategy
- Participating in commissions for Mental Health, Land, and Productivity and Skills
- Providing expert technical assistance to help WMCA develop its Assurance Framework and programme management and project appraisal arrangements



### COLLABORATION OF 9 LEPS, 28 UPPER-TIER LOCAL AUTHORITIES, 20 UNIVERSITIES

We have also worked with our neighbouring LEPs, along with our local authority, business and other partners, through the Midlands Engine initiative.

The Midlands Engine is a collaboration stretching from the Welsh borders to the North Sea, covering a population of just over 11.5 million people and focused on improving connectivity, innovation, skills, trade and inward investment across the wider Midlands. This year we have worked with Midlands Engine partners on:

- A Midlands UK pavilion at MIPIM 2017, showcasing regional investment projects worth £7bn and attracting nearly 3,000 delegates
- The £250m Midlands Engine Investment Fund for small businesses
- The 'Midlands Connect' strategy, a 25 year programme of investment in strategic road and rail improvements across the Midlands
- A Vision and Action Plan for the Midlands Engine in response to the Government's recently published strategy for the Midlands Engine

## Appendix I Party Manifestos



**Conservatives**



**Our Plan | Conservative Manifesto 2019**

*'We remain committed to devolving power to people and places across the UK. Our ambition is for full devolution across England, building on the successful devolution of powers to city region mayors, Police and Crime Commissioners and others, so that every part of our country has the power to shape its own destiny. We will publish an English Devolution White Paper setting out our plans next year.*

*Through our City and Growth Deals we have already delivered more than £9 billion of funding across England, and almost £3 billion to Scotland, Wales and Northern Ireland.*

*Through bodies like the Northern Powerhouse, Western Gateway and Midlands Engine we will drive greater levels of foreign investment into the UK, promoting our towns, cities and counties around the world. As part of our plans for full devolution we will also invite proposals from local areas for similar growth bodies across the rest of England, such as the Oxford-Cambridge Arc.*

*This is an agenda which shows that the days of Whitehall knows best are over. We will give towns, cities and communities of all sizes across the UK real power and real investment to drive the growth of the future and unleash their full potential.'*



**Labour**



**LABOUR'S 2019 MANIFESTO**

*'Only a Labour government will safeguard the future of a devolved UK, reforming the way in which it works to make it fit for the future*

*Britain is one of the most centralised countries in Europe. Labour will decentralise decision-making and strengthen local democracy. We reiterate our commitment to One Yorkshire, and will make directly elected mayors more accountable to local councillors and elected representatives.*

*We will re-establish regional Government Offices to make central government more attuned to our English regions, to support our regional investments, and to enable the shift of political power away from Westminster.'*



**Liberal Democrats**



**MANIFESTO 2019**

**Power for Communities**

*'Communities should be empowered to have maximum control over their local services. Liberal Democrats are the only party with a vision for the future: Labour's instinct is towards centralisation and taking power from communities; the Conservatives' cuts to local government budgets have led to a huge reduction in services. We will drive a devolution revolution to give power to people and communities and help fund the services that people need. We will:*

- Decentralise decision-making from Whitehall and Westminster, by inviting local areas to take control of the services that matter to them most.*
- Give democratic local government enhanced powers to call on new income sources appropriate to their area to support local services and investment.*
- Give people more power, with customers holding companies delivering services to account for their failures, and with communities able to take charge of aspects of their own local development – through, for example, establishing local banks and community energy cooperatives.*
- Devolve further revenue-raising powers away from Westminster, to regions from Cornwall to North East England. We will legislate to empower groups of authorities to come together to establish devolved governance and ensure that any powers devolved are matched by the funding to deliver on the needs of local people.*
- Devolve more decision-making power over key levers of economic development including transport, energy, housing and skills.'*

## **Power for the Nations and Regions**

### England

*'Devolution of power to Scotland, Wales and Northern Ireland has implications for the UK parliament and its dual role in legislating for England as well as the federal UK. Liberal Democrats support an English-only stage in legislation affecting England, so that English MPs can have a separate say on laws that only affect England.*

*However, this should be on a proportional basis, genuinely reflecting the balance of opinion in England.*

*In some areas of England there is a greater appetite for powers, but not every part of the country wants to move at the same speed and there cannot be a one-size fits-all approach. All areas should however have access to the same opportunities and mayoral authorities should not be ranked higher in terms of the powers with which they can be granted. We will enact permissive legislation to empower groups of authorities to come together to establish devolved governance – for example to a Cornish Assembly or a Yorkshire Parliament, building on the One Yorkshire campaign. We will proceed by consensus as far as possible but will not allow one local authority to veto a coherent proposal.'*



## One Yorkshire

**Population: 4,924,725 (3,550,070 without South Yorkshire)**

**GVA: £88bn (all of Yorkshire)**

Eighteen local authorities submitted a proposed deal to the Government in January 2018 under the title of 'One Yorkshire'. This sought devolution of the following powers;-

- Adult skills funding;
- Integrated business support, including DIT export support;
- A multi-year consolidated transport budget;
- Bus franchising in all or part of the region;
- Business rate supplements;
- Mayoral development corporations, compulsory purchase powers and a Yorkshire Land Commission;
- A £125 million per year investment fund;
- A £500 million Housing Investment Fund;
- Acting as a pilot of 100% business rate retention;
- National programmes addressing unemployment, health barriers to work and in-work poverty;
- Borrowing powers;
- Powers to acquire and dispose of land, and a 'strategic infrastructure investment framework'

If a One Yorkshire deal were to be approved, a single directly elected mayor and combined authority covering Yorkshire would be established, requiring the existing combined authorities to be merged into the new one.

The Minister for the Northern Powerhouse, Jake Berry, indicated in July 2017 that the Government **would not agree** to a pan-Yorkshire deal. He said in a letter to the Sheffield City Region Combined Authority that "consent by the 20 councils (including Barnsley and Doncaster) for such an approach is very unlikely. Nor do I believe that a deal and governance across the whole of Yorkshire, given its scale and diversity, would in practice deliver the benefits that the proponents of such a deal seek".

However, March 2019 the government subsequently agreed that the deal originally negotiated with Sheffield City Region should go ahead for the duration of the mayors first term in office. Dan Jarvis MP had already been elected as mayor of the Sheffield City Region in May 2018. His term runs to 2022 after which time the councils involved could opt to join other structures (One Yorkshire) and pursue a separate devolution deal, or remain within the group. The deal would then continue on a pro-rata basis with the remaining councils in the SCR arrangement.