

Written evidence from CURDS¹ (EDE 10)

Public Administration and Constitutional Affairs Committee The Evolution of Devolution: English Devolution

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1. Should there be comprehensive reform of the English devolution and local government system?

Given the relative size of its population and economy within the UK, establishing effective and sustainable governance arrangements for England has proved problematic. The UK remains amongst the most highly centralised states when compared internationally and centralised governance is most evident in England. Finding an appropriate geographical scale for intermediate level institutional arrangements between the national level of UK Government and local level of local government has been difficult. In the post-war period, there have been frequent pendulum swings between the regional, local and sub-regional arrangements². These periodic reorganisations have generated instability and churn which has undermined the effectiveness of devolved institutions in governing England and delivering public policy outcomes.

Devolution policy since 2010 has taken an ad hoc and piecemeal approach and created a patchwork of different powers, resources and institutional arrangements across England. This approach has led to complexity, perceptions of unfairness and confusion. It has not solved the problems of centralised governance including: inefficient resource allocation; under-utilised economic potential; reinforced London-oriented decision-making; and, entrenched spatial economic inequalities.

Devolution policy in England therefore needs extending and strengthening through a framework or ‘road map’ to clarify and strengthen the vision, purpose and principles for devolved governance in England. The current government’s delayed Devolution White Paper provides a unique opportunity for this framework or ‘road map’ to be developed and introduced. Former Minister for Regional Growth and Local Government Simon Clarke acknowledged exactly this point in a major 2020 speech to the Northern Powerhouse Education, Skills, and Employment Summit³.

2. What aims and principles should underpin devolution in England?

The basic rationales for decentralisation are threefold: better matching of public expenditure and services to local preferences; mobilisation of local knowledge on economic potential and

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² Pike, A., Kempton, L., Marlow, D., O’Brien, P. and Tomaney, J. (2016) *Decentralisation: Issues, Principles and Practice*, CURDS: Newcastle University.

³ Minister for Regional Growth and Local Government, Speech to Northern Powerhouse Education, Skills, and Employment Summit, July, 2020, <https://tinyurl.com/y3shssck>.

costs; and, increased accountability of local governments to citizens. Meaningful decentralisation of powers and resources is required to realise such aims. Decentralisation in England since 2010 has, however, had multiple aims: economic growth; spatial rebalancing/‘levelling up’; deficit reduction; public sector reform; local government reorganisation; political advantage; societal challenges; and, public accountability and democratic renewal. Some of these aims are complementary, others are potentially contradictory. Clarification of the aims, purpose and forms for devolution England is clearly needed. The fit of devolution policy with the UK Government’s broad but challenging commitment to ‘levelling up’ by reducing spatial economic inequalities and evening out powers and resources needs to be clarified and explained.

Underpinning principles for devolution in England should be guided by international standards of good governance. The United Nations, for example, identifies 8 principles comprising the rule of law, democratic accountability, transparency, participation and inclusion, consensus-oriented, responsive to stakeholders, non-discrimination and equality, effectiveness and efficiency. The devolved administrations have also published good governance principles, for example the Scottish Government identifies leadership, accountability, integrity, effectiveness, transparency, and sustainability. The OECD have published Principles for Making Decentralisation Work: clarify the responsibilities assigned to different government levels; ensure that all responsibilities are sufficiently funded; strengthen subnational fiscal autonomy to enhance accountability; support subnational capacity building; build adequate coordination mechanisms across levels of government; support cross-jurisdictional cooperation; strengthen innovative and experimental governance, and promote citizens’ engagement; allow and make the most of asymmetric decentralisation arrangements; consistently improve transparency, enhance data collection and strengthen performance; and, strengthen fiscal equalisation systems and national regional development policies to reduce territorial disparities.

3. Should devolution in England use the reserved powers to bring it in line with devolution in the rest of the UK?

Devolution is a particular form of decentralisation. There are different types of decentralisation with low to high levels of powers, autonomy and resources: administrative, deconcentration; delegation; political; fiscal; and, devolution (Table 1, Appendix 1). Decentralisation in the devolved territories in the UK involves greater powers and resources than in England. Decentralisation in England is more like delegation with some political decentralisation than devolution. Strengthening the powers and resources of subnational governance in England is therefore necessary to move it in the direction of meaningful devolution. Enhancing powers and resources within England will then better match arrangements in the devolved territories. Such arguments are used by those advocating a more federalised polity for the UK, especially in the post-Brexit context⁴. The UK government has the powers to introduce and enact meaningful decentralisation with the political will and support.

4. To what extent should there be consistency in devolved and local governance within England, and to what extent is asymmetry necessary?

⁴ Blick, A. (2018) Devolution, Federalism and the UK Constitution, The Federal Trust, <https://fedtrust.co.uk/devolution-federalism-and-the-uk-constitution/>

Asymmetrical devolution means powers and resources differ between areas. The ad hoc, piecemeal and patchwork approach to devolution in England since 2010 has created highly asymmetrical devolution. This has led to complexity, perceptions of unfairness and confusion over where decision-making power is located and who is responsible for what and where. Asymmetrical devolution has benefits and costs (Table 2, Appendix 1). Other countries have asymmetrical devolution for example Canada, Italy and Spain.

If the unevenness of powers and resources is too large it generates perceptions of unfairness. The UK Government's deal-making approach perpetuates asymmetry because each deal is a tailored agreement between national and local governments. Deals are the bespoke product of the actors involved in the negotiations. Areas attempting to negotiate and secure deals compare themselves with what existing areas achieved before them and formulate their proposals accordingly.

Achieving uniformity and homogeneity in governance arrangements is unrealistic given places are at different points on the spectrum and have different capacities, appetites and public support for devolution. To move forward in seeking the current government's ambition of 'levelling up' powers and resources across the country then the overarching framework or roadmap is key for places to understand where they are, where they want to get to and how they will get there (see point 1. above). Otherwise the current ad hoc, piecemeal and deal-based approach will add further layers of complexity and inequity to the current patchwork of arrangements.

5. What is the purpose of current the “devolution” deals and mechanisms? Are these purposes being achieved?

The current devolution deals and mechanisms aim to decentralise packages of powers and resources to groupings of local authorities to better address their local challenges. Devolved powers cover the a wide range of public policy areas including business support, energy and low carbon, environment and heritage, health and wellbeing, local taxation and expenditure, further and adult education, housing, justice, planning and land use, policing and crime, and transport. New resources have largely been provided by capital investment funds.

Lack of monitoring and evaluation means the effectiveness of the current arrangements in achieving their objectives is largely unknown. Micro-level evaluations of specific projects and programmes have been undertaken. The inputs, activities, outputs, outcomes and impacts are relatively easier to measure, shorter term and clear attribution can be established. Assessment of the effectiveness of the overall governance arrangements is much more difficult to measure, longer term and has many influences.

Our assessment of deals identifies benefits and costs⁵. The benefits include: providing a local-centre conduit; local 'empowerment'; vision and strategy-making; encouragement and promotion of innovation; project and programme integration; and, offering a device for local governance reform. The costs include: asymmetric information between the deal-making parties; the national centre acting as a supporter *and* appraiser of the deals; negotiating power resides centrally; lack of transparency; uneven and unfair outcomes of political haggles; slippage from announcement to implementation; and, limited evaluation.

⁵ Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

6. How should decisions on English devolution be agreed?

There are multiple interests and channels that need to be addressed in decision-making on devolution in England⁶. In terms of national government, relying upon MHCLG risks not ensuring sufficient buy-in from other government departments with historically more centralised approaches and less committed to meaningful decentralisation of powers and resources. Evidence demonstrates that leadership and commitment from the PM, No. 10, HMT and the Cabinet Office are required to progress the agenda, for example then Chancellor George Osborne's push for mayors and devolution deals in major metropolitan areas in the 2010s.

Another important and under-developed channel for inputs to decision-making is between local government and central government. The current patchwork of arrangements and deals in England has made this complicated and fragmented. Mayors of Combined Authorities, for example, appear to have acquired national voice beyond their limited formal powers. But the rest of local government has relatively less voice, especially in areas without additional devolved powers and resources. Their interests and issues are largely voiced through their collective associations as a whole (i.e. the Local Government Association) or as particular types of local authority (i.e. London Boroughs, Metropolitan Districts, Shire Counties, Shire Districts and Unitaries) as well as through relations with the local MPs. Local government input at the centre needs defining and strengthening as part of devolution.

A further and somewhat neglected channel for input to decisions is from the public. This element is crucial to deliver the democratic engagement and renewal aim of devolution. The way devolution has been implemented in England risks being seen as a somewhat administrative and technical issue for central and local government rather than a change in governance and decision-making capable of making people's lives better. Experiments with citizen's assemblies and other participatory innovations – such as the People's Powerhouse and the Same Skies Network – have a role to play in articulating and deliberating such public inputs.

7. How should the interests of different parts or regions of England be better represented to central government and in intergovernmental arrangements as well as in Parliament?

Institutional mechanisms are lacking for subnational representation at the national and devolved government levels in the current patchwork arrangements for England. Appropriate new structures will need to be designed and created. Such institutions can learn from practice internationally and be adapted for the particular UK setting. Ideas that have been used and/or considered in the past – including Ministers for England or parts of England, reforming the second chamber into a House of Nations and Regions⁷, English representation in the British-Irish Council, a committee of the regions, regional select committees, and a council of mayors – need serious assessment and deliberation in the emergent post-pandemic and post-Brexit governance context. Moves towards replicating the co-ordinating and 'eyes and ears' of national government roles of the Government Offices of the Regions from the 2000s through cross-cutting Directors of Place from Whitehall departments appear under-resourced

⁶ UK2070 Commission (2020) *Make No Little Plans: Acting at Scale for a Fairer and Stronger Future*, Final Report, <http://uk2070.org.uk/wp-content/uploads/2020/02/UK2070-FINAL-REPORT.pdf>

⁷ Mitchell, J. (2020) Emergency 'constitutional plumbing' has reached its limits coping with devolution. It's time for a new institutional architecture, *LSE British Politics and Policy*, 11 November, <https://blogs.lse.ac.uk/politicsandpolicy/devolution-architecture-scotland/>

and limited. Ideas such as a National Constitutional Convention and more federalised polity for the UK are ambitious but warrant further consideration.

8. Is there a public demand for such structures/measures? On what basis should the form, geography and extent of devolved regions or areas be determined, and what should be the role of culture and identity?

Public demand for devolution in England has not been systematically assessed in recent years. Previous antipathy to devolved arrangements, for example the rejection of the Elected Regional Assembly proposals in North East England in 2004 was nearly two decades ago. More recent public opinion includes BBC polling from 2014 revealing increased appetite for further devolution in England. Public interest and support need further assessment in the current context, especially given Brexit and the pandemic. Evidence such as IPSO/MORI's The State of the State 2020-21 suggests people appear more interested in what devolved government can deliver on the fundamental concerns about public services and jobs and the need for more local decision-making beyond national central government. Frustrations with centralisation and remoteness from decision-making have fuelled interest in devolved governance. The national and local government tensions in the response to the pandemic have brought these issues to the fore and led to heightened public attention.

Institutional arrangements may have to work with evolving the existing arrangements rather than replicating the historical problems of further radical reorganisation, instability and churn. A framework or 'road map' is needed to guide this process. Reforms also need to be informed by evaluation of the effectiveness of the existing arrangements that has been lacking to date. There is potential to focus on developing a multi-level governance system in three areas: more formalised and integrated governance at local/subregional levels, building upon the Combined Authority models and geographies; enabling and resourcing areas to coordinate for specific policy areas at particular geographical scales, for example, the Northern Powerhouse area for energy, transport and R&D infrastructures; and, seeding capacity for parish and town councils to mobilise to address community level issues. The ambition is to move towards a more coherent and integrated multi-level governance system and reducing complexity, perceived unfairness and confusion: a federated England in a devolved UK polity.

Culture and identity have important roles to play in the debate on devolution. Existing approaches have tended to neglect these dimensions and emphasise the economic arguments for devolution such as devolving decision-making around the functional economic geographies of travel-to-work-areas. The geographies of devolution need to be meaningful to people to foster public engagement and provide accountability.

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Appendix 1

Table 1: Forms of decentralisation

Level	Form	Characteristics
Low	Administrative	Administrative functions and responsibilities undertaken at the sub-national levels
	Deconcentration	Dispersion of central government functions and responsibilities to sub-national field offices. Powers transferred to lower-level actors who are accountable to their superiors in a hierarchy
	Delegation	Transfer of policy responsibility to local government or semi-autonomous organisations that are not controlled by central government but remain accountable to it
	Political	Political functions of government and governance undertaken at the sub-national level
High	Fiscal	Autonomy over tax, spending and public finances ceded by central government to sub-national levels
	Devolution	Central government allows quasi-autonomous local units of government to exercise power and control over the transferred policy

Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

Table 2: The benefits and costs of asymmetrical decentralisation

Potential benefits	Potential costs
Accommodate diverse preferences for autonomy across regions	Lack of accountability and transparency
Adapting the institutional and fiscal frameworks to the capacities of subnational governments	Complexity and coordination costs
Advanced form of place-based policies	Lack of clarity for citizens
Experimenting	Potential risks of increased disparities (in capacities)
Sequencing decentralisation	Secession and autonomy
Providing the enabling institutional environment to design territorial development strategies more targeted to local needs	
Tailoring solutions for special challenges	

Source: Adapted from OECD (2019) Asymmetric Decentralisation: Policy Implications in Colombia, OECD: Paris.