

## DevoMix Christmas Special: Localism Watch's Seasonal Update on Devolution

**Abstract:** *We now know what the Smith Commission's proposing for Scotland, and William Hague's options on English votes for English laws. But how does devolution tie up with localism? Who's been saying what and has any money changed hands? A Santa-stic overview of news, comment and (dis)information from around the country.*

### Scotland

Following the referendum 'no' vote, David Cameron commissioned Lord Smith of Kelvin to identify greater devolved powers for the Scottish Parliament. On 27 November, with the agreement of Scotland's 5 main political parties, the Smith Commission published its outline [recommendations](#).

These set out the case for a Scottish Parliament that will be:

- Stronger within the UK
- More accountable and responsible
- More autonomous – notably, in tax-raising powers
- Better in its dealings with Westminster
- Giving greater devolution to communities within Scotland and
- Building greater public understanding of its role

Lord Smith has certainly delivered on schedule – though, as with all constitutional projects, the devil is ever in the detail. Representatives of Scotland's most remote [island communities](#) welcomed the Commission's proposals to transfer powers over Crown Estates assets, Air Passenger Duty and energy efficiency schemes. But three SNP councillors in Renfrewshire were less impressed. They [videoed themselves burning the Smith report](#) and were promptly [suspended](#) by their new leader, Nicola Sturgeon.

At the same time, Labour's own new chief, Jim Murphy, has [outlined his ideas for city deals](#) in Scotland – something that he believes would help close the economic gap with their English equivalents. This intervention might well be timely, as business leaders in Dundee have argued that the referendum has [slowed business start-ups](#) in their city.

But the boundaries of economic catchments are more 'fuzzy' and 'porous' than many commentators realise. The Smith Report's suggested concessions for Scottish airports have not gone down well in North East England. Newcastle airport [stands to lose vital revenue](#) as a result.

### England: the National Picture:

On 16 December, William Hague, tasked by David Cameron to design the roadmap for 'English votes for English laws', published a Command Paper, containing three possible options. These range from barring Scottish MPs from voting on measures affecting the rest of the UK to giving English MPs veto powers over laws applying solely to England. In that instance, an English-only committee would scrutinise legislation which would then be voted on by the full House of Commons.

If Cameron's response was geared to appease his backbenchers, Hague's proposals have not quelled their mutinous murmurings. John Redwood told the Daily Telegraph: "I can't understand why they are wasting time with these watered down versions. Britain has been gravely damaged by Labour's lopsided

devolution. It's time to even things up.” He [warned](#) that the measures fell short of “what the majority of Tory backbenchers and the public want”, and called for Scottish MPs to be barred from voting on any English matters. Lord Prescott, who as Deputy Prime Minister unsuccessfully spearheaded Labour’s attempts at regional devolution a decade ago, described Hague’s efforts as [“a stitch-up” and “centralisation”](#).

The Prime Minister intends to put Hague’s proposals to his backbenchers ahead of a Commons vote early next year. But lacking unanimity in his own camp, let alone a Commons majority, it is hard to see how he can push a sustainable set of England-wide devolution proposals through Parliament before the General Election.

The process of securing local devolution packages for England’s cities and regions has been tortuous, despite – or maybe, due to – the intervention of political heavyweights. Lord Heseltine is a good example. Speaking to the Institute of Economic Development, he [described](#) the devolution process as ‘unstoppable’. But like many in the Westminster village, his idea of devolution centres on high level powers and top-table players, not people at the grassroots. “Without spending any more public money you can galvanise large amounts of private money,” Heseltine told his audience. “It's amazing how much additional growth you can get.” He argued that combined authorities such as that recently created in Greater Manchester, could work well in areas outside the major cities. Given “a magic wand”, he would create unitary county councils across the country.

The All Party Urban Development Group (APUDG) of MPs and peers have issued a report called [Going for Growth](#). This says that if councils were given more varied powers, including infrastructure improvements and increasing housing availability, the next government could build on the success of the Coalition’s growth initiatives. The report considers how Local Enterprise Partnerships (LEPs) have stimulated development, and invites the incoming administration to retain a focus on growth. Devolving further powers to cities and regions and working closely with them would enhance understanding of local challenges, the report says. It should, however, be noted that this outpouring of cross-party consensus has been produced with money and technical support from the British Property Federation and Nathaniel Lichfield & Partners.

Labour’s Shadow Chancellor, Ed Balls, has lent his weight to the devolution fray. He has attacked George Osborne’s insistence that new combined authorities must be headed by elected ‘metro mayors’ – a formula that (as we shall read later) has stalled devolution talks in several English conurbations. Balls has [advised](#) local councils to bide their time, promising a much better devolution package if Labour wins next year’s election: “George Osborne is saying ‘my door is open as long as you agree to my blueprint’ – which is counter-productive, obstinate and foolish.” Southampton Council’s Conservative opposition leader demurs: “At least George Osborne’s door is open. Ed Balls’ door is open and there is nothing there.”

### **Who’s driving the devolution bus?**

Stagecoach magnate Brian Souter helped bankroll Alex Salmond’s ‘yes’ campaign in September’s referendum. But Martin Griffiths, the bus company’s CEO, has come out against the proposed devolution of strategic transport powers to English city regions. To him, these amount to ‘a [confiscation of assets](#)’: they would, in effect make the buses state-controlled.

## **The government's chief planner has no plans for plans – in city regions, at least**

However city regions are governed in the future, Steve Quartermain, the head planner in the Civil Service, says that the government won't be encouraging the preparation of [city-region spatial plans](#). This is despite the fact that the Greater London Authority has a statutory London Plan and the incoming Greater Manchester authority wants one too. Quartermain said: "You can have greater-than-local planning but you don't necessarily have to produce a document to carry that forward."

## **A devo-tour round England's regions**

### **The North West**

Referring to the current bookies' craze for a '[celebrity mayor](#)' in his native city, Noel Gallagher has suggested becoming [Duke of Manchester](#), should Russell Brand's much-publicised 'revolution' ever take place. Sir Richard Leese, Manchester City Council's long-time leader, sees no problem with ceremonially up-titling the ex-Oasis frontman, but points out that "running large authorities actually does require some skills." Local politicians were initially unhappy with an elected mayor being non-negotiable in Manchester's devolution deal, but Leese [revealed](#) that, in the end, "pragmatism won out". When the metro-mayor takes office in 2017, s/he will also serve as Greater Manchester's Police and Crime Commissioner. Asked by BBC's Laura Kuenssberg whether the elected mayor role had his name on it, Leese said: "If I said I hadn't thought about it, you'd say I was a liar and you'd be right."

Jennifer Williams, social affairs editor at the Manchester Evening News, said that for councils, the offer of new powers is hard to resist, although austerity means that [expectations won't be matched](#) by resources. "George Osborne may be handing over big ticket devolution, but he continues to take money out of the day-to-day spending of the town halls," she added. "There will be scepticism. Manchester is looking at £60m in cuts in 2015 and a further £30m the year after." Lollipop patrols, mental health care, free swimming and youth services are likely to be first in the [firing line](#).

In an innovative slant to localism that no legislator, surely, ever intended, the Manchester Evening News is empowering its readers to exercise digital judgements of Solomon, through an [interactive tool](#) that lets them slim down the council's budget, line by line. So although Manchester is the trendsetter for English devolution, it begs the question of what will actually be available to devolve, once the full programme of cuts implied in the Autumn Statement has taken effect.

Merseyside's leaders have now consented to talks about talks on devolution – but only after pressure from those twin champions of centralisation, [Lords Heseltine and Adonis](#). Here too, the question of an elected mayor has been the sticking point: only Liverpool and Sefton councils were originally in favour, the rest only acceding when the day-tripping lords revealed that additional powers and funding would not otherwise be forthcoming. Wirral Council leader Phil Davis said that Merseyside would seek "the kind of rapid progress towards devolution that we have seen in Manchester". So far, so good: but there's also the minor consideration of who will be Merseyside's elected mayor. As readers know, Liverpool's Joe Anderson has his eyes on that role.

Elsewhere in the North West, [Lancashire's 14 district councils](#), plus the unitaries of Blackburn and Blackpool, are working to secure a combined authority. While encouraging in principle, the reasons for coming together are less so. All the councils face severe cuts, but with far lower local tax bases than their

powerful neighbours. Then there's the challenge of resolving Lancashire's complex geography of local rivalries – something that Westminster's 'localist' drive consistently ignores.

### **The North East**

George Osborne [preached the metro-mayor gospel](#) on his recent visit Newcastle, saying that if local councils were to merit greater control over functions and funding, their representatives must be more accountable: "Great cities like New York and London have one figure the public can pinpoint," he said. "If you want to have the full suite of powers that are normally associated with an elected mayor in almost any city in the world, then that is the model of government."

But although Osborne denied imposing an identikit model, local councillors contradicted him. South Tyneside leader Iain Malcolm responded: "It is disingenuous of George Osborne to say unless we have a mayor we cannot be held to account, rather than saying 'these are the responsibilities the region will get', and allow us to have the tools to get on and do the job. I just think he is trying to divert the devolution agenda to be about some sort of civic pride issue in the North East."

Newcastle Council chief Nick Forbes added: "Where I do agree with Mr Osborne is that cities offer the greatest growth potential for UK plc and places like Newcastle are where the next generation of jobs will be created. We are simply asking for the tools to get on with the job that needs to be done rather than be set political hoops to jump through." Durham County Council's leader Simon Henig commented, however, that an elected mayor for the entire North East would be a "show stopper", and that decisions on future governance should not focus on Newcastle alone.

Councils in the [Tees Valley](#) have taken the first steps in forming a combined authority: this could be operational by winter 2015. It is intended that the proposed new body, which already has strong business backing, will meet jointly with the area's Local Enterprise Partnership (LEP). [Public consultations](#) began on 10 December and will continue until 31 January 2015.

### **Yorkshire**

Lord Heseltine has engaged in '[intense devolution negotiations](#)' about two 'conurbations' - West Yorkshire and the City of York, and of South Yorkshire. Both currently have 'loose' area partnerships, but there is considerable high-profile opposition to having elected mayors. Opinion in [Bradford](#) is particularly divided on the issue. The council is strongly against, with its leader, David Green commenting: "Discussions are still going on, but the councils in West Yorkshire are adamant that a mayor can't be imposed. The combined authority is (already) working well." Two of the city's MPs, however, support the package. [George Galloway](#), representing Bradford West, said that West Yorkshire could reap the same benefits brought about through the "strong leadership" of London's mayors, "both of them bigger-than-life figures, who have clearly made a difference" to the capital.

South Yorkshire's leaders have not completely ruled out elected mayors, although - unlike their counterparts elsewhere - they have been assured that any deal currently on the table won't bind them to adopt that arrangement. Any suggestion that they're being forced to have elected mayors in return for devolution would be hugely damaging to Deputy PM Nick Clegg, a Sheffield MP, who has publicly promised local people that there's no compulsion. More embarrassing, however, [Sheffield council leader Julie Dore](#) told a local democracy campaigner that there wasn't sufficient time for public consultations on

proceeding with a devolution deal on the Chancellor's terms prior to his 3 December Autumn Statement. As it turned out, no devolution agreements were secured anywhere in Yorkshire in advance of the Autumn Statement, which contained no references to England's largest county. But [sources close to Nick Clegg](#) were adamant that 'a generational hand over of powers and finance' was just weeks away. This was borne out when a Sheffield city deal was [finalised](#) on 16 December.

Hull City Council has been [arranging business briefings](#) to promote a devolution deal for Humberside, despite opposition and a 'refusal to talk' by the neighbouring three councils. Darryl Stephenson, Hull's Chief Executive, said that if Humberside's four authorities "cannot get their act together now, in ten years' time they will not be forgiven." Tim Rix, who chairs Hull's City Leadership Board, said: "Devolution seems to be the only game. I really struggle to see how the other local authorities fail to see the benefits of this."

But neighbouring East Riding leader Stephen Parnaby [commented](#): "There is no pressure on this council or on our neighbours to form a combined authority. More importantly, we have not missed out, nor are we in danger of missing out, on any grants, funding opportunities or otherwise." Parnaby cited the halving of Humber Bridge tolls, new Enterprise Zones and a strong record in securing government funding. He also noted that the Humberside LEP had called for devolution talks to be deferred until after the general election: "By then, hopefully, there will be more clarity and more certainty as to what, if anything, we need to do." Hull City Council have remained bullish, issuing a [stark warning](#) to its neighbours that they were putting jobs and investment at risk by not seizing the moment and becoming part of the Chancellor's 'Northern Powerhouse'.

### **The West Midlands**

Treasury officials have been negotiating a possible West Midlands devolution deal, along similar lines to Greater Manchester. George Osborne has insisted that devolved powers there depend on local acceptance of an elected mayor. [Speaking to the Birmingham Post](#), he said: "I am willing to work across party lines to get what is right for Birmingham and the West Midlands. What happened in Greater Manchester followed the creation of the combined authority and the effective working of that combined authority. That has not happened to the same extent in Birmingham and the West Midlands. But there is now real progress on that front, which we are engaging with."

Our readers will recall that Coventry City Council has resolved to join Birmingham and the Black Country in the combined authority. Its leader, Ann Lucas, has launched a [charm offensive](#), inviting councils in Warwickshire to join too. But the Coventry Telegraph reports that around half of Lucas' own Labour colleagues in Coventry are against joining Birmingham and want a Warwickshire-based alliance. Coventry's Tory group agree. And the city's [UKIP representatives](#) are unhappy with what they see as 'secret talks' over Coventry's future, saying the local electorate should have a vote on the matter.

Lucas [refutes](#) any notion that the new body would be a 'super council'. "If Coventry does become a member of a Combined Authority – whether it's with Birmingham or Warwickshire – this does not mean that Coventry or Coventry City Council will disappear," she said. "While I am Leader I promise you that Coventry will not become part of Birmingham – greater or otherwise. I can also promise you that Coventry will not have a mayor running business for us from Birmingham. I promise you that decisions about Coventry services will continue to be made in Coventry by Coventry councillors."

In the West Midlands, old traditions die hard. Warwick District Council's leader [has an open mind](#) about the talks, saying: "this isn't about handing powers over to Birmingham." But Stratford-upon-Avon Council, which proudly struts its own corner of the world's stage, says that it will be [keeping its options open](#) – and that these might not necessarily include Birmingham, or indeed, the rest of Warwickshire.

Elsewhere, councils such as [Walsall](#) and [Staffordshire](#) have been courting local businesses to gauge support for a combined authority. Indeed, it has recently been announced that a [new regional LEP](#) will be created to 'sit alongside' a West Midlands Combined Authority, with the region's existing 'area' LEPs remaining in situ. How this arrangement would operate in practice remains unclear.

And yet, despite all these machinations, the West Midlands devolution process could be derailed due to concerns about its lead partner. Following a damning review of Birmingham City Council by the Civil Service's ex-head, Sir Bob Kerslake, England's biggest local authority could be [taken over by central government](#) if its performance doesn't improve within 12 months. Communities Secretary Eric Pickles is contemplating appointing commissioners to take over its departments. He may, indeed, decide to break Birmingham into two or three smaller councils.

The review was prompted by Birmingham's financial woes, the failings of the city's children's services and what the government saw as the council's poor response to radical Islamic 'Trojan Horse' influences in some local schools. Sir Bob said that these inadequacies had caused poverty, unemployment and low skills in the city, adding: "The overwhelming consensus of those . . . spoken to is that the council cannot carry on any longer as it is." A panel selected by Pickles will monitor Birmingham's progress over the next year, before reaching a final decision.

### **The East Midlands**

Derbyshire's city, county and 8 district councils are set to form [a joint organisation](#). This is the first 'non-metropolitan' area in England to reach such an agreement. Of the 10 councils, 7 are Labour and 3 are Conservative-controlled. County council leader Anne Western said that both parties had put their differences aside: "It's not been a straight path. Everyone around the table has needed to know what they're committing themselves to – but it's been done with a lot of good will."

But a joint authority in neighbouring Nottinghamshire [remains some way off](#). On 28 November, local council leaders agreed to work towards the government-imposed deadline of February 2015. Graham Chapman, deputy leader of Nottingham City Council, said: "There was a surprising amount of consensus, but we've still got some way to go and a lot of terms and conditions."

### **The South West**

George Ferguson, Bristol's elected mayor, is still working to get neighbouring councils' agreement to a joint authority. In his annual [state-of-the-city address](#), he mentioned the additional funding that Manchester had secured through its devolution package. Referring to "the historical reluctance" for neighbouring councils to pool resources, Ferguson said: "The only reason for not accepting this change is political sensitivity. The Government has created a window. This is not a Bristol takeover and the new departments would not necessarily be run from Bristol. Other combined authorities have shared out the responsibilities." Ferguson also criticised the region's current 'West of England' title: "For location and



clarity, I prefer the title of Bristol City Region. Manchester, Liverpool and Leeds are creating Northern powerhouses. Bristol needs to be the south west equivalent.”

North Somerset’s leader, George Ashton, [responded](#) that neighbouring councils were already pooling resources, without losing their individuality. He added: “Constantly quoting . . . Manchester misses the point. We are not Manchester, and what works for them should not be mandatory for everywhere else. We talk of localism and devolution and then try to impose another layer of government further away from our communities, without even asking our residents. We are always keen to talk to Government about opportunities to secure the devolution of funding and powers, where it can bring clear benefits to local people but no one has demonstrated any real benefit and we have been told that there would be no new money. Some people confuse the need for government to give local authorities the power to get on with their existing responsibilities, with the need to create another authority. Apparently we would also have a Metro Mayor. George says he supports devolved powers but then seeks to centralise it.” A similar state of affairs prevails in [Gloucestershire](#), where councils prefer joint working to unification.

### **The South East**

Essex is home to several popular dramas, the most [iconic](#) of which depicts what the Guardian once described as “real people in modified situations, saying unscripted lines but in a structured way.” The latest concerns Southend-on-Sea and Thurrock Borough Councils, who wish to re-focus the [Thames Gateway South Essex Partnership](#) (TGSEP). Essex County Council recently said it would be leaving the partnership to concentrate on its county-wide role. Other South Essex authorities are being invited to re-subscribe to the TGSEP, which will be formally re-launched on 1 April 2015. Southend leader Ron Woodey regretted the county’s withdrawal, as this would “weaken the profile of Southend-on-Sea and South Essex . . . and lead to delays both getting funding for and delivering future projects.”

The prospect of a new [Solent combined authority](#), linking Portsmouth, Southampton and surrounding areas, has raised concerns in Winchester. Although Winchester’s future allegiances remain undecided, fears exist that the current district council area would be split in two, if towns and villages in the south chose to join the combined authority.

### **London**

Although the capital already has an elected mayor and an Assembly, this has not stopped some London boroughs from joining the devolution circus. LB Croydon is pushing for new powers to collect locally-generated taxes on all developments. The council claims that if these focussed on a town-centre “[growth zone](#)”, these would funnel £5.25bn into the local economy by 2031, creating 8,300 new homes and 23,600 new jobs. Croydon North’s Labour MP Steve Reid said: “This is not just a bid for Croydon, it stretches all the way . . . to the south coast.” He added that he and Croydon Central’s Conservative MP, Gavin Barwell, were completely united on this. “Scotland has got *devo-max*, we have just seen Manchester get *devo-manc* and now it is time to see *devo-croy*.”

Such *devo-tion* to Croydon’s cause must have impressed George Osborne. Whereas Yorkshire deals were absent from his Autumn Statement, the Chancellor said he would consider [approving](#) a new Croydon “growth zone”, “subject to value for money”. Although this fell short of an explicit commitment, LB Croydon leader Councillor Tony Newman said: “A growth zone . . . will bring huge benefits . . . and transform Croydon into a modern, European city. For Croydon to be named in the Autumn Statement

shows the huge importance of Croydon and the significance that it holds to London and the wider region.”

South London’s devolution bandwagon rolls on. On 8 December, Croydon announced that it was forming a joint committee of boroughs “which will put Croydon in prime position to benefit from any devolution of power from Whitehall.” This [group](#), also including Kingston, Merton, Richmond and Sutton, would decide on regional growth, delegated funding from the Mayor of London and local investment. It would also lobby the government “to devolve powers . . . such as . . . getting people back into work, boosting skills and ensuring economic growth.”

### **So what’s English devolution really about, then?**

As readers of Localism Watch will know, we work our cotton socks off to bring together a digital *smorgasbord* of mainstream and – quite frequently - obscure resources to help folk at the grassroots make sense of localism, Coalition-style. What we’ve digested so far - not just in this issue - draws us to a surreal yet inescapable conclusion: the national debate about localism is, bizarrely, being led by those whose motivations are centralist to the core.

We’re not alone in that view. Writing in *New Start*, [Daniel Boyle](#) tries looking forward to localism in 2015. But he says that, unlike Scotland, Wales, and most of our European neighbours, the talent in the English regions has “either been sucked out or quietly ignored.” He highlights fundamental flaws in the emerging city region structures. They’re based on rhetoric, legislation and administrative procedures, not reasoned, locally-led arguments. Boyle questions the proposed new authorities’ true capacity to exercise their devolved powers. Many of their brightest and best have long since departed to live and work in the capital. He makes a plea for re-establishing credible, locally-based financial institutions across England if Osborne’s ‘powerhouses’ are to develop into something more than a tongue-in-cheek catchphrase.

For all the Autumn Statement’s bluster, the Coalition’s package of austerity and privatisation has failed spectacularly to curb the deficit - if, indeed, that was ever its true objective. Even the right-leaning *Spectator* admits that the Chancellor will have [borrowed more in his 5 year tenure](#) than Labour did over 13 years. Whoever picks up the poisoned chalice of power after next May’s election will have to make more savage public service cuts than those projected in 2010. The combined authorities and metro-mayors spawned from the government’s current ‘rough wooing’ of English councils will take the brunt of those cuts. As it stands, the packages now being offered contain no new money. To quote the jibe once levelled at Osborne’s hapless predecessor Norman Lamont, the new bodies will find themselves ‘in office, but not in power’, as they are compelled to run down, privatise and close vital public services. And they, not Westminster, will bear legal responsibility for what ensues.

To Localism Watch, it’s clear that what the government’s really devolving isn’t power, but blame.

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