

## A “Radical” Devolution Bill? Who’s Paying?

**Abstract:** *The Tories have been quick on the draw by introducing their Cities and Local Government Devolution Bill before Parliament. What’s in it, what are people saying about it, and what will it really mean for local democracy and wellbeing?*

George Osborne [likes to see himself](#) as a “successful Conservative blend” of Michael Heseltine’s vision and Nigel Lawson’s maths. Scarcely had the champagne bottles been emptied at No 11 when the Chancellor announced that the impending Queen’s Speech would contain a Devolution Bill. On 14 May, he [told](#) a meeting in Manchester that: “The old model of trying to run everything . . . from the centre of London is broken. We will go much further and deliver radical devolution to the great cities of England. I say to [them]: it is time for you to take control of your own affairs. My door now is open to any . . . major city [besides London and Manchester] who wants to take this bold step into the future. This is a revolution in the way we govern England.”

Osborne’s chief purpose, though, isn’t to promote local democracy and pride. As the BBC’s Norman Smith [puts it](#), he wants to wrong foot Labour in their northern heartlands, and boost the Tories in an area where they’ve traditionally been on the back foot.

### What’s in the Bill?

The [Cities and Local Government Devolution Bill](#) was introduced into the House of Lords on 29 May. Its [measures](#), which apply to England and Wales, come as little surprise to LocalismWatch: the “radical devolution” it promises isn’t so much what most people understand by the term, but rather what George Osborne wants it to mean. Despite his cliché-infused rhetoric, Westminster remains firmly in control of the things that matter.

Let’s look at its metro-mayors’ arrangements. The Bill says that the Communities Secretary can force a combined authority to adopt an elected mayor and remove a dissenting council from its jurisdiction. (The phrase “retrospective gerrymandering”, rather than “radical devolution” comes to mind here.) Not only that, it’s for the Communities Secretary, not local councillors, to determine the length of a mayor’s term of office and when the elections should be held. Voters will be asked to state their first and second preferences for mayor where three or more candidates are standing.

Metro-mayors are obliged to appoint a combined authority member as deputy mayor, to whom certain mayoral duties may be delegated, and who’d take temporary control if and when the mayor’s out of action. But, unlike George Osborne, who has a [large team](#) of hand-picked special advisers at No.11, an elected mayor will be limited to just one ‘political’ appointee.

Ostensibly, the Bill allows each combined authority to deliver a unique, customised range of functions. They may [assume control](#) over certain statutory local authority duties, should two or more combined authority members instigate a review which finds that those functions were “likely to improve” following a transfer. The Communities Secretary, however, still has the final say, and is also empowered to force a combined authority to assume the functions of another public authority in its area, either replacing it or through a partnership arrangement. This is compatible with the

previously-agreed devolution of health matters, and the merger of the Police and Crime Commissioner role, in Greater Manchester.

But these new powers also give central government a further means of using combined authorities to progress its ongoing programme of public sector cuts, under the guise of efficiency. Conveniently, it also means that a large measure of public blame for those cuts will fall not on central government, but on metro mayors and combined authorities.

The new measures will also allow the Communities Secretary to grant combined authorities a general power of competence (GPoC) under the Localism Act 2011. This enables them to do anything an individual can do provided it is not prohibited by other legislation. At LocalismWatch, we've [drawn attention](#) to councils using the GPoC as a vehicle for outsourcing essential local public services like social care, libraries and highway maintenance - all too frequently, to multinationals that are less than public-spirited. As we've also shown, this may rely upon unpaid community volunteers undertaking complex, professional - and sometimes, hazardous - tasks.

Using the precedent of the Greater London Mayor's [Community Infrastructure Levy](#), which helps to fund Crossrail, combined authorities with elected mayors can add a 'precept' onto the council tax bill to fund the mayor's functions. Council taxpayers suffering ongoing reductions in the quality and quantity of valued local public services may well find themselves paying for 'prestige' projects, bringing returns to offshore investors rather than local communities.

### **How are people responding?**

Bodies representing councillors and council workers are divided. [Martin Swales](#) of the local authority chief executives' group Solace, thinks it's "an opportunity for true creativity" and "developing a network of interconnected economic powerhouses across the UK." [Sharon Taylor](#), deputy chair of the Local Government Association, urges Osborne to "go further" and offer settlements not just to the cities but all of England, with different approaches for different areas. Others are less optimistic. [Sir Bill Taylor](#) recognises that places like Blackburn, whose council he led for many years, "need to get their act together" and combine with their neighbours if they're not to be left behind by more "visionary" and "fleet footed" places like Manchester.

There's a similar range of views among organisations who've benefitted from public service outsourcing. [Tony Armstrong](#) of Locality, the government's franchisee for community-based services under the Localism Act, sees devolution as "a golden opportunity for English cities to listen to communities and lead the way in providing effective, value-for-money services which really benefit people." Locality's capacity to deliver on its community rights remit, however, has been a focus of our earlier pieces, [here](#) and [here](#).

[Adam Fineberg](#), who advises a number of councils on growth and public services, believes that Osborne's initiative is "a political calculation to address metropolitan areas, not the whole of the UK plc." Previous studies showed a need to spread growth and wellbeing right across the country. Fineberg sees what's now proposed as simply deputing centralised functions to "regional coordinating bodies" whose members have different political hues and local priorities. This will bring

greater complexity and managerialism, making it more difficult for people to work together to address local needs and aspirations.

[Simon Goacher](#), who heads the local government team at law firm Weightmans, notes that while the prospects for devolution appear great, history shows that governments revert to centralism: there have been “false dawns” before with regional assemblies. In any case, he recognises problems in Osborne’s elected mayor model: why should authorities around large cities wish to cede their autonomy to an elected mayor?

And what of Osborne’s Tory colleagues? Although the Chancellor [reiterates](#) that his “door is still open” on the matter, he has not yet included fiscal autonomy in the devolution packages. Mark Wallace, writing in [Conservative Home](#), a website claiming to represent grassroots Tory opinion, says that “true localism needs financial devolution, too”. He quotes an unnamed Conservative MP as saying “Without financial autonomy, political autonomy is a bit of a myth – other countries have 40, 50, 60 per cent of revenue raised at the local level.” Wallace’s view is that Labour wants local government to run up debt, whereas Conservatives are more interested in devolving tax powers. Both, he concludes, are right. Curiously, Wallace also argues that Britain’s over-centralised governance is largely due to policies brought in under Margaret Thatcher to stop “loony left” councils messing things up”. By an equally curious extension of logic, he defines the Conservatives’ election success in May as voters’ rejection of the “loony leftism” of Miliband and Balls.

Now that both these Eds have stepped aside, how do Labour’s current leadership contenders see the devolution agenda? Liz Kendall, emerging from the shadows as [the ‘New Labour choice](#), has accused both Tony Blair and Gordon Brown of exercising tight control from the centre, and Ed Miliband for timidity in promoting devolution. Kendall is campaigning for a more vigorous approach, but not what she describes as a “Tory technical fix”. Her vision includes transforming local employment services so that they better reflect their area’s economic circumstances and the needs of individual jobseekers. She also supports the [IPPR think tank’s](#) ideas about giving councils more control over their housing budgets: those with “imaginative” housebuilding plans would receive more money and borrowing powers from the centre.

But’s not just the young bloods who think the Tories have stolen Labour’s thunder. Lord Peter Mandelson is [typically scathing](#). He says that the Conservatives had spotted the vote-winning potential of decentralisation, and hammered home the Northern Powerhouse message, following the “historic devolution deal” in Greater Manchester. “We stepped back and passed the ball to the Conservatives and the coalition,” muses Labour’s *éminence grise*. “The party had positions or it had postures, or put it a different way, if I was going to be really cruel – it had language. But I don’t think it had the policies seriously to rebalance both the economy and the political system of this country. We were not radical enough in what we were proposing to decentralise and to devolve away from London and to the regions.”

Given the Lib Dems’ comprehensive electoral trouncing, it is encouraging to see that one of their surviving MPs is contributing to the devolution debate. On 8 June, Southport’s John Pugh secured a Westminster Hall debate on metro-mayors. Using Liverpool’s Joe Anderson as a case-study, Pugh [brands them](#) as “a whole new set of civic Mussolinis”, imposed by the government through a

“scarcely disguised system of bribes and penalties”, with the inevitable consequences of “corruption, cronyism and community marginalisation”. Pugh argues that the metro-mayor model shadows the business concept of a CEO and board, and that the government gives more priority to getting one than electing one. But in setting out his stall of crafted invective, he knows that his is a lost cause. “Ministers will have to hear what I say,” Pugh concludes, “but they have no intention of listening.”

### **So who'll pay for the Bill?**

One lesson the election has [taught us](#) at LocalismWatch is that we'll never achieve fair and sustainable local democracy across the UK by tying ourselves rigidly to party lines. So it's useful to get the perspectives of those who haven't axes to grind. The BBC's Mark Easton [examines](#) the Cities and Local Government Devolution Bill, and its context, in a carefully-structured way. He notes that Britain – with the possible exception of North Korea – has been considered the world's most centralised state: whereas just 19% of German public expenditure is controlled by its central government, the equivalent UK level is 72%. He cites a recent Local Government Information Unit [report](#), which suggests that instead of Whitehall “acting like a generous benefactor offering minor concessions to grateful power-starved municipal leaders, local authorities and other agencies would tell government what control they want, the presumption always in favour of devolving powers, unless there were compelling reasons not to do so.”

Now that, as Easton puts it, would truly be a “devolution revolution”. But he acknowledges that this won't happen, as it would mean transferring the focus of power and blame in the opposite direction. A failure to perform locally would inevitably lead to central government ministers being hung out to dry. That, of course, would never do. As we've previously [demonstrated](#), Osborne stands at the fulcrum of a political system where the balance of praise and blame is even more heavily skewed in the centre's favour than fiscal autonomy. Forcing elected mayors on combined authorities is as much about strategically deflecting local voters' blame for underachievement away from Westminster, as it is about devolving powers. And the fact that devolution isn't being extended beyond the core cities' is consistent with the view that few smaller towns and rural areas have leaders with the standing to deflect criticism from the centre.

The government's true attitude to local political leaders is perhaps best embodied in the pronouncements of Brandon Lewis. Readers may remember Brandon unflatteringly [described](#) in one of our earlier pieces as the “planning minister who doesn't believe in planning” and “the minister for sprawl”. Although his former boss, Eric Pickles, has now been [replaced](#) as Communities Secretary by the svelte and more cerebral Greg Clarke, Lewis remains in post. In 2012, when justifying the abolition of elected members' pensions, he [described](#) councillors as “volunteers undertaking public service . . . not professional politicians, nor should they be encouraged to become so”. That, as Easton observes, unfairly implies that “council chambers are populated by kind-hearted amateurs” - unlike Westminster's “hard-nosed professionals”.

True localism surely depends on building and maintaining public confidence in how places are governed at every level, from the grassroots to Parliament itself. Instead, we're being offered a take-it-or-leave-it formula, casually described by its originator as “radical devolution”, but which in reality does little to re-align the national balance of power and influence. Rather than promoting a culture of shared responsibilities and healthy dialogues within and between England's localities, it targets a

few selected cities where the spotlight of democratic control beams down on a single individual, chosen on the basis of a popularity contest and whose terms and conditions of employment are still set by the centre.

For those who live, work and invest outside those areas, or who find themselves disengaged from the political process, there's nothing on offer. As the urbanist Leo Hollis [argues](#), Osborne's Northern Powerhouse is a strategy with the unspoken objective of allowing these excluded places to decline further and their people to gravitate towards infrastructure-creating jobs, if not necessarily homes, in metro-mayor areas: in other words, localising economic growth and parcelling out the pain. Because each combined authority will have to find its own revenue, devolution will inevitably make London and the South East stronger and richer, widening the north-south divide. A further objective, also unspoken, is that by creating a whole series of local NHS hubs, the last vestiges of a national welfare state will have been shattered.

Is it any wonder, then, that in a poll conducted by the Manchester Evening News after the election, 72% of respondents in Osborne's devolution heartland [voted to secede](#) from the UK and join an independent Scotland? A [petition](#) on the Change.org. website to move the Scottish border southwards to a line joining the Dee to the Humber has almost reached the threshold of 50,000 signatures. Although the tone of these democratic 'out-takes' is certainly light-hearted, there's a clear underlying message that politicians across the spectrum are out of touch with grassroots feelings and persist in being out of touch.

How otherwise can we explain the phenomenon of council leaders from [Cumbria](#) to [Cornwall](#) doing the devolution rounds with their neighbours, in ever decreasing circles and varying degrees of expertise, while the Chancellor plays the role of an old-time dance caller? The local and national media are currently awash with such reports, most of which seem to be written to a standard template, with only the names of individuals and localities altered. Diligent folk that we are at LocalismWatch, though, we'll keep monitoring these ritual dances – and the Bill's progress through Parliament – so you needn't have to. Who knows? There's always the chance of unexpected surprises.

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