

What's Happening with Devolution?

Short blurb: *In the run-up to the General Election, we've assembled the latest news and views on 'top-down' approaches to devolution across the UK. What actually is being devolved, and who actually is getting involved?*

As our political masters seem intent on generating more heat than light in bidding for our votes, LocalismWatch has decided to pursue the opposite course of action. What genuine changes, as opposed to promises of change, have been secured for local democracy across the UK in recent months? Are they creating powerhouses – or poor houses?

Greater Manchester

Following George Osborne's announcement of a devolution package last November, Sir Richard Leese, Manchester City Council leader, is [un-quietly confident](#) of becoming the conurbation's first Elected Mayor, in the vote scheduled for 2017. In the meantime, two local Labour stalwarts have [made themselves available](#) to occupy that role on an interim basis. Tony Lloyd, ex-MP and Manchester's Police and Crime Commissioner, and Wigan Council Leader Peter Smith both put their names forward before nominations closed. The winner will be chosen, not by the general public, but a more select 'electoral college' of Greater Manchester's 10 council leaders.

What may emerge as the cornerstone – or Achilles Heel – of Manchester's future governance is that, since the start of April, the area has had control over its combined health and social care budget, worth an estimated £6 bn. Elsewhere in England, social care is handled by local authorities, while clinical commissioning groups (CCGs) deal with hospitals, community health and mental health issues, and NHS England covers primary and specialised care services. A new Greater Manchester Strategic Health and Social Care Partnership Board will take charge of all this, supported by a joint commissioning board drawn from the 10 local authorities, CCGs and NHS England. The aim is to have the new arrangements in place from April 2016.

Many of the advantages and disadvantages are obvious. On the one hand, strategic health decisions will be made by local representatives and more closely reflect local needs. The long hoped-for integration of health and social care is vital, too, given the area's aging population pyramid, and the potential for better patient outcomes through joined-up, more cost-effective services. But, equally, there are concerns about accountability. Who will carry the can, particularly if the system runs out of cash? Will decisions be made at a local CCG level, or will the Partnership Board be another of the bureaucratic quangos that the Coalition sought to consign to its bonfire? And how well will the Board's medical and political members work together?

But as [Richard Humphries](#) of the King's Fund think tank argues, Greater Manchester has a relatively good track record of partnership relationships, something that is not always seen elsewhere. By and large, the proposals have been welcomed, for example by the leader of Oldham Council, [Jim McMahan](#), and the Labour Party nationally. Ironically, its health spokesman [Andy Burnham](#), a Manchester MP, is somewhat less effusive, highlighting the potential for: "a Swiss cheese NHS where some bits of the system are operating to different rules or have different powers and freedoms."

Another element of Greater Manchester's devolution is that since the start of the 2015-16 tax year, councils will be able to retain 100% of additional business rate growth. This pilot scheme, in which similar powers have been given to Cheshire, Cambridgeshire and Peterborough, was [unveiled](#) in George Osborne's pre-election Budget. The Chancellor argued that while this was fully in line with his vision of a 'Northern Powerhouse', the benefits of a national recovery had to be spread wider.

The announcement coincided with the launch of a comprehensive review by Treasury Secretary Danny Alexander into business rates across England. Rob Whiteman, chief executive of the chartered public finance accounting body CIPFA, welcomed the review, but expressed concern that the 100% retention rate was being confined to "a few select local authorities", and should instead have been "done in a fair way that serves the interest of business, communities and local government. His comments were echoed by David Sparks, who chairs the Local Government Association. He felt that; "All parts of the country should be able to reap the benefits of having a thriving local economy . . . in such a way which ensures areas with fewer businesses do not lose out."

Merseyside

Things, however, are not quite as bright elsewhere in the North West. The region's only current elected mayor, Liverpool's Joe Anderson, is openly jealous about the good relations between Greater Manchester authorities. During an open discussion with Manchester's Chief Executive Howard Bernstein at the MIPIM international property convention in Cannes in March, Anderson [accused](#) other Merseyside council leaders of "lacking vision".

LocalismWatch has previously [commented](#) on the hostilities between Anderson and Wirral council leader Phil Davies, who was chosen by the area's other council leaders to head Merseyside's "super cabinet" in preference to him. Earlier this year, Anderson wrote to the Liverpool Echo accusing his neighbours of "bringing the area into disrepute" in the row over a potential metro-mayor. He alleged that the other council leaders had reneged over having talks "with no preconditions" with the government to grant Merseyside more powers. But Davies hit back, saying: "Mayor Anderson is wrong to question the integrity of certain councils and council leaders for taking the view that we should ask the public for their agreement via a referendum before adopting the metro mayor model."

Lancashire

Although Lancashire's 15 council leaders announced in 2014 that they would be working towards a combined authority, the rate of progress has been criticised. However, the County's chief executive, [Jo Turton](#) feels that enough work has taken place for detailed discussions to start this summer. Speaking at a local business dinner, she argued that "delivering economic growth in every corner of the county" and "partnership" were strategic priorities. She said that the Preston, South Ribble and Lancashire City Deal showed "how the public and private sectors can align their objectives to deliver economic growth, create jobs and support sustainable communities".

But Turton also acknowledged: "One thing that may come up in conversation is how difficult it can be to engage with public services in Lancashire. There's no denying we have a complex public-sector landscape across what is a large geographic area." She suggested that the county council was

becoming more business-like: “You may have noticed the Lancashire County Pension Fund . . . nearly bought the government's stake in Eurostar. We were in fact a close second to the successful bid. The security of our investments – those of the council and the pension fund – is our first priority in this respect, but it's also important to us to make high-quality locally based investments, which is something we will continue to progress.”

Cumbria

Universities minister Greg Clarke and the chair of Cumbria’s Local Enterprise Partnership (LEP) have signed a [6-year Growth Deal](#). The LEP estimates that up to 3000 new jobs could be created, 3000 new homes built and £60m public and private investment generated in the County. Growth Deals are a £12 bn long-term programme of support to England’s 39 LEPs, launched by the Coalition in July 2014. Officially, they’re aimed at revitalising local economies from the bottom up, and sharing the benefits of the recovery around the country. The government’s [website](#) hails the deals as a “revolutionary” way of “unlocking growth”, helping “councils, businesses, colleges and universities will help to train young people, create thousands of new jobs, build thousands of new homes and start hundreds of infrastructure project, including transport improvements and superfast broadband networks.”

The press release announcing the expansion of the deals in January 2015 was jubilant: “For the first time ever, infrastructure, housing and other funding has been brought together in a single pot, and put directly into the hands of local authorities and businesses to invest with their knowledge of what is needed in their area to maximise their potential economic growth.”

If only this were so. Those of us with longer memories – and the occasional capacity for critical reflection - can point to [City Challenge](#) and the [Single Regeneration Budget](#), introduced by Michael Heseltine during the Major administration, and continued under Labour in 1997. These had similar economic objectives, and were also based on competitive bidding by local partnerships around local solutions. They also brought several older funds into a single pot (the overall sum of which, incidentally, was also reduced). But they created a landscape of winners and losers at every level, coupled with a performance culture, where the key indicators were set by central government, not local communities. There was no real incentive for sharing best practice with other areas. And despite the ballyhoo accompanying their launch, there’s little evidence that they brought long-term changes that reduced the gap between the haves and have-nots.

The North East

Last year, the government approved a [combined authority](#) for County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland. The area did not, however, gain a devolution package in the March 2015 Budget. Communities Secretary Eric Pickles has, nevertheless, [promised](#) greater powers for the North East “soon”. Speaking just before Parliament was dissolved, he said: “I anticipate that [Newcastle] will be the beneficiary of more devolution in the not-too-distant future.” But this is unlikely to happen until sometime after the election, and its precise nature will depend on the new government’s priorities.

Despite this uncertainty, the Combined Authority held a series of open meetings at the beginning of April to discuss its [plans](#) for the sort of powers, policies and funding devolution should involve. It also

invited the public to engage in these consultations through an online survey. Simon Henig, who chairs this body, welcomes the possibility of new powers in principle. But he [told](#) the Guardian of his underlying scepticism: “I would have to ask why talk of the ‘Northern Powerhouse’ and the developments that have happened – as welcome as they are – have all taken place in the last year of a five-year government. Whatever government comes, let’s hope that agenda is still with us.”

Yorkshire

Although the Chancellor gave West Yorkshire a mention in his Budget speech, the ‘freedoms’ granted over transport, skills, housing and small business support fell far short of those for Manchester. There was, for example, no funding for strategic job creation. And while its cross-Pennine neighbour may keep 100% of its additional business rate growth, the West Yorkshire Combined Authority is only entitled to 50%. Peter Box, who chairs the Authority, [said](#): “The deal is disappointing and doesn’t match the scale of our ambition. It undermines the government’s claim to want a strong Northern powerhouse. If we are to turn that into a reality we need real devolution, including fiscal devolution.” Keith Wakefield, the leader of Leeds City Council, has [described](#) the offer as “timid”. Nick Clegg has [condemned](#) these responses as being “churlish and sour”.

Speaking to the Yorkshire Post, David Cameron [denied](#) any snub to the area: “Every part of the country is different in terms of when you are bringing local authorities together, and I don’t think that devolution has to be identical in different parts of the country. We want an arrangement between Whitehall and Westminster on one hand and the great northern cities on the other.” He continued: “The best thing for West Yorkshire now is for it to get on with delivering the city deal and if there is more that can be done then there are further conversations that can be had, this is not a sort of one off static process.”

Maybe the reason for the ‘snub’ is that Manchester’s leaders have united behind the Chancellor’s metro mayor model, which their West Yorkshire counterparts have opposed. James Sproule, the Institute of Directors’ chief economist and policy director, has [weighed into the situation](#), saying the government had a clear preference which Yorkshire had to accept: “If you have a mayor, the feeling in Whitehall is, that there is somebody who is ultimately accountable, somebody whom they can speak to. If they see a very diffuse government, with nobody willing to take responsibility or responsibility divided up in so many different ways, then it’s more difficult to devolve.”

This all goes to show that to the centralisers, whether in Whitehall or certain London-based think-tanks, devolution’s more about streamlining the terms and conditions of local subservience than real independence and the right to dissent.

Ed Balls, however, has encouraged West Yorkshire leaders to “stick to their guns” and reject the Coalition’s deal. He [unveiled](#) a “£30 bn devolution offer” to end what he described as “a situation in which major spending decisions are taken by Michael Heseltine or a Whitehall official” rather than those who know what is happening in Leeds or other cities. Balls would not compel councils to introduce new bureaucracies around elected mayors, and would allow them all to retain 100% of additional business rate growth.

The East Midlands

The talk of a Northern Powerhouse has generated a sense of urgency in Derbyshire and Nottinghamshire, where councils have been working to cement combined authority agreements. Although not all of Derbyshire's councils were initially happy, Conservative-run Erewash holding out on housing and planning issues, [all are now in agreement](#), making Derbyshire the first two-tier authority to have reached this stage. The combined authority, which will be fully in place in 2017, will be run by a board of council leaders, not an elected Mayor.

Derbyshire leader Ann Western [said](#): "It is important to stress that this is not about reorganisation of local councils, nor is it about us asking for additional funding. It is about making sure that the money raised locally is used and invested based on local rather than national priorities. We will work collaboratively to ensure that we have the powers that will give the local area real growth with real jobs and real prosperity."

Nottinghamshire's leaders have also been talking with each other and central government about a similar arrangement. But they also recognise the need to broker a cross-boundary agreement with Derbyshire, Leicestershire and West Midlands authorities, to help the area compete effectively with the likes of Manchester and West Yorkshire. Nottingham City Council leader Jon Collins [said](#): "There is a danger is that if we are not making our voice loud enough, the Midlands loses out."

Eric Pickles, asked whether it would be advantageous for the councils in Nottinghamshire to merge, [agreed](#) that there was a "more efficient way" of doing things. But he felt that the best approach was for councils to work better together: "What we are really saying to the politicians here is 'we don't just want to see you in your best suits', we want you to be beyond ambitious and say we will do it better and produce a better skilled workforce than the government can do. And if we can put that together, that would be a great deal and this is a good start."

The West Midlands

Lord Heseltine, who holds no ministerial office yet seems to have a designated role, has [pledged](#) that major powers and funding will be devolved to the West Midlands: "There will be a negotiation. Everyone knows what Manchester has got but they also know what Manchester has done to get it. It is up to the leaders of the West Midlands to design their project and proposal in a way that central government can accept."

A major impediment lies in the damning conclusions of the Kerslake Report into the running of Birmingham City Council. As LocalismWatch has [reported](#), Eric Pickles has placed the council under probation: if matters don't improve, the options include appointing a commission to govern the city instead of the council and breaking the area up into two or three separate authorities. Kerslake had noted that the council doesn't work well with communities or outside organisations. Earlier this year, budgets from the city's ten district committees were [withdrawn](#), as local councillors complained that they had no influence over spending on contracts on local facilities, which were set by the council's leadership.

In March, Council leader Sir Albert Bore held a consultation on how its future services should be run. This included a question on whether powers should be devolved to a new [Sutton Coldfield Town Council](#). With a population of around [1.1 million](#), Birmingham is by far the largest local authority in

the UK. Although the city council is campaigning for devolved powers from Whitehall, it has no constituted representative bodies at a town or neighbourhood level.

Not surprisingly, many West Midlands councils don't want to be part of a deal headed up by Birmingham. Coventry and Solihull are still refusing to join a combined authority: indeed, the top priority of a ['Coventry manifesto'](#) is maintaining its separate identity. The four Black Country councils – Wolverhampton, Walsall, Dudley and Sandwell – although committed to devolution for the conurbation, have [publicly rejected](#) both the elected mayor model and calling the area 'Greater Birmingham'. Although it lies outside the traditional West Midlands metropolitan area, Worcestershire has [made it known](#) that it doesn't want to be 'swallowed up' by Birmingham: as a two-tier council area, it might well seek combined authority status for itself.

The South West

Nick Clegg's been getting about, and for good reason. LibDem seats, most of them under threat, tend to be located in the country's outermost extremities: Cornwall's an example. Clegg chose the feast of the little-known St. Piran, the county's patron saint, to [call for a referendum](#) on whether Cornwall should have an assembly with similar powers to Wales. The LibDems stressed, however, that they weren't seeking to create a new layer of bureaucracy, merely to upgrade the status of Cornwall's unitary council. They wouldn't confirm if the proposal would be non-negotiable in any future coalition agreement. Cllr Loveday Jenkin of the Cornish nationalist Mebyon Kernow [observed](#): "There must be an election on – the LibDems are talking about a Cornish Assembly. It is an abject shame they have done nothing about meaningful devolution to Cornwall whilst in government over the last five years."

Cornwall Council has launched its own [campaign](#) for greater powers. These include more comprehensive control over funding, such as not having to hold a referendum on council tax increases, as required under the Localism Act. Its leader, John Pollard, said: "Our ambition is to achieve 'double devolution' so that the Council's partners benefit from the transfer of powers from London to Cornwall. We recognise that there are those with ambitions for different forms of governance and our 'case' will lay the foundations for later developments."

Not everyone shares Pollard's views. Fiona Ferguson, who leads Cornwall's opposition Tory group fears that the move would lead to unacceptable tax rises. And 'The Skipper', writing in the [Falmouth Packet](#), comments: "Writing lots of buzz words in a flashy document about how we will all have jobs, homes and jam tomorrow is not the same thing as being competent enough to actually make this happen. The same authority that made the most vulnerable pay council tax, leading to a huge rise in arrears, . . . bailiff visits and a vast ocean of suffering, while conveniently forgetting that the very richest may shoulder the burden, now want the power to hike it . . . to God-only-knows per cent, but do not want to ask us, the people of Cornwall, whether that is a power we want them to have."

Another person accused of a dubious commitment to local democracy is Bristol's elected mayor George Ferguson. At a recent council meeting, he was called a "[self-aggrandising dictator](#)" and faced calls for his resignation over implementing residents' parking zones (RPZs). Local businessman Mark Moran claimed that the mayor and council officers were "out of control" and that the scheme faced

“monumental opposition”. He said: “I’m not against RPZs. This is about the whole city and not just one area. The consultation was a sham and the implementation is a joke.”

Labour Cllr Hibaq Jama said that some businesses in her ward had lost up to £130,000 in takings due to the scheme. Conservative and LibDem councillors, while not opposed in principle to RPZs, criticised the way in which they had been implemented. Supporting the RPZs, local resident June Burrough said: “I think [they] are a brilliant thing for the Green Capital because it reduces traffic and makes the air cleaner. I think it is a shocking waste of time and energy to repeal it.” Mayor Ferguson said: “What amazes me is that Bristol is one of the last serious cities in the country to roll out RPZs but we are acting like we are the first.”

On a different level, Bristol’s mayor has met his Welsh counterparts in Cardiff and Newport about a possible [‘Great Western Cities’ partnership](#). This is based on the notion that, with a total economic output of £58 bn, this exceeds any other UK conurbation outside London. However, there is no likelihood that the body would have powers akin to those of Manchester: apart from the constitutional issues, Cardiff and Newport are pursuing their own plans for a Cardiff Capital Region. It just illustrates the point that, whatever the outcome of number-crunching exercises, real localism needs to be about giving more powers to more people and not just individual council leaders.

London and the South East

The leaders of Havering, Barking and Dagenham, Enfield, Greenwich, Hackney, Redbridge, Newham, Tower Hamlets and Waltham Forest – with a total population of 2.5 million – have [published a Prospectus](#), arguing for devolved powers from central government and the Greater London Assembly. This would include pooled budgets for adult skills and commissioning employment services. Together, the boroughs would remove borrowing restrictions, allowing them to build more homes. Individually, they could intervene in ‘failing’ schools, and have more power over incentives and penalties for business to tackle rising numbers of takeaways and sales of cheap alcohol.

Essex County Council’s leader David Finch has joined his colleagues in [calling on George Osborne](#) to give his area more powers: “The government’s acknowledgement that the current system needs to change is an encouraging step in the right direction. We will definitely be looking to take advantage of the Chancellor’s open door offer to discuss the possibility of Essex receiving the same deal as Cambridge and Manchester in keeping 100% of the additional growth.”

Meanwhile, across the Estuary, the newly-formed United Thanet Party (iPUT) is [campaigning](#) for the district to become a unitary authority, separate from Kent. Its leader Grahame Birchall told the local newspaper: “I believe that all town councils should have powers of scrutiny over local Cabinet decisions affecting their own community, and that all chambers of commerce, parish councils and leading trades unions should be given statutory rights of consultation.” iPUT, however, have a bit of competition on their hands. Thanet also happens to be a hotbed of UKIP activity, with Nigel Farage seeking to be one of the area’s new MPs.

Scotland

Following last autumn’s [Smith Report](#), there’s been a flurry of activity around city deals north of the border. Glasgow is seeking to secure the [largest such initiative](#) in the UK, where £500 m in grant funding and £130 m in council borrowing are projected to draw in a further £3.3 bn in private sector

investment. Edinburgh and South East Scotland are [progressing plans](#) for a £1 bn infrastructure fund to 'leverage' an additional £3.2 bn private money. Not to be outdone, Aberdeen City Region aims to [release](#) around £2.9 billion of funding for infrastructure in the area over the next 20 years, over and above the £1.4 bn already projected for the coming 10 years. Councils in Tayside and Fife, more modestly, have come together to seek a £400 m ['treasure chest'](#).

Bizarrely, Highland Council is also in [negotiations](#) about its own city deal. But when one of the area's MPs just happens to be the outgoing Treasury Secretary and national pursebearer Danny Alexander, it seems that we're all city-dwellers now. And again, evidence of grassroots engagement in these matters, after the IndyRef had raised so many expectations on both sides of the argument, has been almost non-existent.

Wales

As alluded to earlier, Cardiff City Region representatives are [negotiating](#) a city deal that could be worth up to £1 bn over the next 10-15 years. This would support existing plans for an upgraded integrated transport system across the area. The Chancellor announced the proposals in his 2015 Budget speech. In his [blog](#), Cardiff City Council leader Phil Bale recognised that while there was "much work still to do", he hoped that a formal proposal would be submitted to government before the end of the year.

Northern Ireland

The changes to the province's local democratic structures that came into effect on 1 April are more extensive than anything seen elsewhere in Great Britain this century. Its last equivalent reforms happened in 1973, so long ago that even LocalismWatch's aged editor was too young to vote. Due to well-documented gerrymandering and nepotism, plus manipulating housing lists and planning decisions, the 26 local authorities created 42 years ago were only given limited powers, such as street cleaning and registering births, deaths and marriages. Even then, [newsworthy mayhem](#) regularly erupted among elected members and other attendees in the council chambers. As one veteran Belfast politician put it: "There was a joke doing the rounds: 'I went to a fight last night, and halfway through, a council meeting broke out.'"

Most people hope that the 11 'super councils' that have been formed, a full 16 years after the Belfast Agreement that officially ended the Troubles, will mark a new phase in civic democracy, public engagement, and indeed, real localism. For one thing, the authorities are responsible for [planning](#), something that for decades had been remotely controlled by the Secretary of State through Civil Service departments. Northern Ireland's chief planning officer [says she's satisfied](#) that the councils have 'adequate' impartiality standards. But the province's Ombudsman believes the changes will ['make corruption easier'](#).

We didn't have to wait long to find out. A firm operating a factory in Coalisland that has flouted planning laws for the past decade has just [received approval](#) from the new Mid Ulster Council for a new plant - seven times larger than the original. Since 2006 the company has run two industrial sheds for paint-spraying without planning permission in a special nature conservation area. Despite court fines totalling £21,000, the unauthorised development is still there.

In 2013 the former Planning Service recommended that the application should be rejected. However, an officer working for the new council recommended its approval. His report admits the proposal “does not accord with the development plan or regional policy” and would likely be refused by the Planning Appeals Commission (PAC). Friends of the Earth NI director James Orr said the case demonstrated his “worst fears” over the changes to the planning system. “What is striking is that the council has approved this application when it knows it was against planning policies. To act in ignorance is one thing - to deliberately act against your own policies at such a high cost to the local community and local amenity is a disgrace. This decision validates unlawful activity.”

So where are we at?

How then does devolution, as presented by our political elite, stack up? Zach Wilcox of the Centre for Cities offers some interesting [perspectives](#). As he puts it: “While people like the idea of localism, the detail of devolution quickly starts to sound like a political science lecture rather than something people can relate to.” The more events that are held expounding devolution, the more people get put off. It’s complicated, it isn’t tangible or exciting and it’s also new and uncertain. But it’s also about democracy, and that means accountability and engaging people properly. So there’s a real task in showing how new forms of governance can bring more meaningful outcomes at a grassroots level, not just rhetoric and abstract processes.

But to make this work, it’s important that people across the country get the chance to tell their stories - good and bad - about how local democracy’s working, to challenge the current system, and set out ideas for something better - in their own words and on their own terms. That, in essence, is what LocalismWatch is all about: we want to see devolution that’s real, that brings good outcomes for people and places across the UK, not just a select few.

Unless the tightrope walkers and clowns in the election circus are ready to accept all of that, chances are that they’ll revert to type once new administrations are formed and the circus moves on. The grassroots will then be left dumped on, as before, with a layer of discarded sawdust.

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