

## Devolution Update

### Purpose

For discussion and direction.

### Summary

This paper provides an overview of the LGA's policy and public affairs work relating to devolution to non-metropolitan and rural areas, outlines potential points to be raised with the Secretary of State in light of the concerns raised by the People and Places Board, proposes targeted press and public affairs work to highlight the case for devolution to non-metropolitan areas in advance of the Autumn Statement and describes recent support activity including, commissioned work to increase community engagement in the process of devolution and research into the local experience of devolution deals.

### Recommendations

That the board:

1. **Note** the LGA's policy and public affairs work to advance further devolution to metropolitan and non-metropolitan areas – paragraphs 4 – 11.
2. **Agree** to a targeted press and public affairs campaign in advance of the Autumn Statement highlighting the case for devolution to non-metropolitan areas – paragraph 12.
3. **Comment** on proposed areas for discussion in advance of a meeting with the Secretary of State – paragraphs 13 – 15.
4. **Note** recent LGA activity in support of devolution – paragraphs 16 and 19.

### Action

Officers to take forward their work as directed by members.

**Contact officer:** Philip Clifford  
**Position:** Senior Adviser  
**Phone no:** 07909 898327  
**Email:** [Philip.Clifford@local.gov.uk](mailto:Philip.Clifford@local.gov.uk)

## Devolution Update

### Overview

1. As directed by members, LGA officers have sought to develop a wide-ranging policy and support offer for non-metropolitan areas looking to secure devolution.
2. In response to concerns that devolution to non-metropolitan areas is proceeding at a slower pace than desired members at the September meeting of the People and Places Board agreed that the Chair would write to the Secretary of State for Communities and Local Government, proposing a meeting with lead members and inviting him to a future meeting of the Board. For reference, a copy of this letter is attached as Appendix A.
3. This paper provides an overview of the LGA's recent policy and public affairs activity relating to devolution, outlines potential points to be raised with the Secretary of State, describes recent support activity including, commissioned work to increase community engagement in the process of devolution and proposes further more-focused work to highlight the case for greater devolution to non-metropolitan areas.

### Developing the LGA's Policy on Devolution

4. The LGA has consistently called for further devolution both to metropolitan and non-metropolitan areas. We have argued that there can be no 'one size fits all' approach to governance and that councils should be free to bring forward and develop their own governance arrangements in order to best meet the needs of their communities.
5. We have also sought to expand the terms of debate, taking the case for devolution beyond the confines of the established deal-making process and reframing the transfer of powers from national to local government as a matter of national debate.
6. In a keynote discussion paper launched at the LGA's Annual Conference in July 2016 we established four principles for devolution:
  - 6.1 **Local:** Devolution deals should be 'bottom-up'. Greater freedoms should not come in a one-size-fits-all package. While there are flexibilities that we believe should be available to all areas, it should be up to communities to decide the powers they need to fulfil their local ambition.
  - 6.2 **Governance:** Local places should be able to design their own robust governance systems that fit local circumstances and are appropriate to the powers that have been devolved. While greater local powers need to be accompanied by clear local accountability and more robust scrutiny, local government does not support a one-size-fits-all governance model. Indeed, we believe that it is stifling progress, especially in non-metropolitan areas.
  - 6.3 **Speed:** The devolution debate must be led by innovation and ideas and those areas which are ready to go should be able to run fastest.

- 6.4 **Functional:** Place should be defined locally and based on functional economic areas, at a scale that enables effective delivery of devolved services.
7. In the LGA's submission to the Business Innovation and Skills Select Committee Inquiry into the Government's Industrial Strategy on September 27 we argued that:
- 7.1 Both cities and non-metropolitan economies can benefit from the freedoms and flexibilities that come with devolution. Equally, all local leaders will be ambitious to see the communities and businesses within their areas thrive.
- 7.2 Currently, local leaders across the country can struggle to access the levers of growth and, in turn, match the economic performance of their global competitors. A national industrial strategy which places a strong emphasis on the unique contributions of different places provides a clear opportunity to address this challenge, by significantly boosting the devolution of powers and responsibilities in support of economic growth.
8. In the LGA's Autumn Statement Submission drafted for consideration ahead of 23 November, arguments for further devolution have taken centre stage with three specific proposals:
- 8.1 **Maintain the drive on devolution so that it becomes the primary vehicle for change.** Devolution must be a customisable response to national and local priorities, reflecting the Government's new agenda while remaining grounded in the pursuit of place-based outcomes through place-based leadership. This will require Whitehall 'letting go' in some cases, but embedding flexibility in this way will encourage innovation in how local areas deal with the big issues facing our communities.
- 8.2 **Sign new devolution deals in non-metropolitan areas.** Our towns, villages and rural areas are just as ambitious as our cities. However, their needs and opportunities are different and Government must work flexibly with councils if we are to deliver the benefits of devolution to communities and businesses across the country. This means allowing for new arrangements such as local non-Mayoral deals, and engaging in an honest debate about what is best achieved nationally and what is best achieved locally.
- 8.3 **Open the door to a discussion on fiscal devolution.** If we are to provide a truly new approach to delivering local public services, working in partnership with various parts of the public sector under local government coordination, then we also need a new approach to the funding of services. To properly unlock the capability of local partners to cooperate it is important to unlock freedom for public resources to be used more flexibly. If the localisation of business rates can be proven to work well, the principles underpinning it could spur on further devolution of taxation.
9. The result of the EU Referendum has fundamentally reshaped national government and national political discourse. As set out above, the LGA has sought to keep pace with this challenging environment, maintaining a focus on expanding the process of devolution

deals to include non-metropolitan areas, while using the principles of devolution to influence and shape the key priorities of what is effectively a new government.

10. The Autumn Statement will provide a key indication of where the government's priorities in relation to further devolution are likely to lie. In order to help ensure that the case for further devolution to non-metropolitan areas receives appropriate recognition officers will work with the LGA's press and public affairs teams to highlight the 'lost opportunities' arising due to limited progress in taking forward deals outside the larger city regions.
11. **Members are asked to note the LGA's policy lines on devolution, agree to the proposal to undertake targeted press and public affairs work in advance of the Autumn Statement to highlight the 'lost opportunities' arising from the limited progress in securing devolution deals in non-metropolitan areas and to a report considering next steps to be brought to the next meeting of the Board.**

#### **Meeting with Secretary of State**

13. In response to concerns expressed by members of the People and Places Board a letter has been sent to the Secretary of State for Communities and Local Government, Sajid Javid, proposing a meeting with lead members and inviting him to a future meeting of the Board. A copy of this letter is attached as Appendix A to this report.
14. In advance of these meetings being confirmed it is proposed that the following points are used to inform an initial discussion with members regarding specific issues that relate to devolution and non-metropolitan areas, which might be raised:
  - 14.1 Continuing to press for greater flexibility on devolved governance, building on the differential approach taken in Cornwall and London the emerging evidence from LGA commissioned research into local governance and scrutiny.
  - 14.2 Calling for clarity regarding the vision for future devolution to non-metropolitan areas, reflecting on progress in those areas that submitted deal proposals as part of the previous Chancellor's call for submissions and those without a formal deal currently under consideration.
  - 14.3 Proposing greater general consideration of the changing shape and scope of rural and non-metropolitan communities as they relate to government policy in areas such as health and education, the finance of public services and the drivers growth and demographic pressure.
  - 14.4 Expanding the principles of subsidiarity beyond the 'town hall' and advance the case for devolution in the direction of passing greater powers to communities.
15. **Board members are asked to consider the areas set out above and direct officers as required to develop these lines in advance of a meeting with the Secretary of State.**

### **Recent Activity in Support of Devolution**

16. A final draft of research commissioned by New Economy in to the experience of devolution has now been received and will shortly be published on the LGA's Devohub. The research highlights that the most successful devolution negotiations have been driven by places being able to identify evidence-based strategic priorities which are shared by a broad coalition of partners. It also notes that challenges remain in the devolution process with places expressing frustration with unexplained 'red lines', which limit the ability of places to deliver the outcomes they are seeking, and a lack of consistent departmental buy-in to devolution across Government.
17. A communities and devolution event- [\*Shaping Devolution: the role of communities and citizens\*](#) took place on 17<sup>th</sup> October. This explored the benefits of enabling citizens to influence local decision making and service design in the context of devolution and methods for doing so.
18. The New Economics Foundation (NEF) have been commissioned to produce new materials that support councils and combined authorities engage citizens in devolution. These build the case for citizen participation and highlight a range of practical approaches. The materials have been tested by the sector were launched on the LGA's [DevoHub](#) at the *Shaping Devolution* event.
19. **Members are asked to note recent activity in support of devolution.**