

## **Growth Funding and Fiscal Devolution to Non-Metropolitan Areas**

### **Purpose of report**

For discussion.

### **Summary**

This paper outlines research commissioned on behalf of the Board which seeks to better understand how greater control of financial and fiscal levers might operate in non-metropolitan areas. The research will explore in detail a series of international case studies, drawing out key learning and making recommendations that will help to advance the Board's work on devolution to non-metropolitan England.

Localis have been appointed to deliver this research and will be in attendance at the Board to present on their initial findings and the proposed next steps for this project.

### **Recommendation**

Members are invited to comment on the proposed scope for the research and to consider how this can help to inform the Board's work on devolution to non-metropolitan areas.

### **Action**

Officers will work with the supplier to build feedback received into the delivery of the research project.

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## **Growth funding and fiscal devolution to non-metropolitan areas**

### **Background**

1. In anticipation of both the opportunities and challenges following Britain's departure from the EU, the perception of a downward shift in momentum behind the national devolution agenda and the time required to develop credible and coherent policy proposals the Board took the decision in 2017 to establish the Post-Brexit England Commission.
2. The Commission set out to develop a refreshed case for devolution to non-metropolitan areas and re-position councils as a key partner with Government in shaping and supporting a successful post-Brexit England. It published its final report in July 2019. This detailed a set of policy proposals to empower councils to deliver growth and meet the nation's global ambitions.
3. Within the context of a renewed focus on devolution to non-metropolitan England, the LGA has now commissioned a piece of research that will explore international examples of the devolution of growth funding, fiscal devolution and the interaction between them in non-metropolitan areas.

### **Research scope**

4. The research will seek to provide learning from international examples on:
  - 4.1. Approaches to devolution of funding for local growth in non-metropolitan areas and the establishment of 'single pots' of funding to facilitate the delivery of cross-cutting local ambitions and priorities.
  - 4.2. The extent to which the design of devolved growth funding arrangements interacts with devolved fiscal instruments and how these operate in practice for non-metropolitan areas.
5. The research will seek to capture detailed case studies that will explore: the design of devolved fiscal and funding arrangements to non-metropolitan areas, the governance structures in place and evidence of the effectiveness of the mechanisms established.
6. It will seek to draw on a range of case studies that reflect the diversity of places that encompass non-metropolitan England. The research will consider and capture differences between case study areas and non-metropolitan England, and specifically their implications for transference of learning, including differences in size, local government structures and the degree of decentralisation within the country.
7. The final report will highlight the key lessons for local and national policymakers from these international case studies and their potential application to devolution policy proposals for non-metropolitan England.

### **Progress update**

8. Following a competitive tender process, Localis were appointed to deliver this research project on behalf of the Board. Localis will attend the Board to present on their progress

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and their proposed approach to delivering the remainder of the project. Members will then have an opportunity to ask questions and provide feedback on their proposal.

9. Members are invited to comment on the proposed scope for the research and to consider how this can help to inform the Board's wider work on devolution to non-metropolitan areas.

### **Implications for Wales**

10. Wales is on its own devolution journey. We continue to work with the WLGA on issues of shared importance, including the role of local government post-Brexit and the details of the UK Shared Prosperity Fund.

### **Financial Implications**

11. The Board's activities are supported by budgets for policy development and improvement. This research will be funded from the Board's budget for policy development.

### **Next Steps**

12. Officers to work with the supplier to build feedback received into the delivery of the research project.