

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

### Purpose of report

For discussion.

### Summary

Members will receive a presentation by Localis on the findings of their Board-commissioned research which seeks to better understand how greater control of financial and fiscal levers might operate in non-metropolitan areas.

#### Recommendation

Members are asked to:

**Comment** on the findings of the research presented by Localis and consider how they can be used to most effectively inform the Board's work on devolution to non-metropolitan areas.

#### Action

Officers to take on board comments and steer Localis as appropriate.

**Contact officer:** Daniel Gardiner  
**Position:** Adviser  
**Phone no:** 07775 538 953  
**Email:** Daniel.Gardiner@local.gov.uk

## Growth funding and fiscal devolution to non-metropolitan areas – research commission

## **Background**

1. While the national spotlight has shifted away from devolution in recent years, the People and Places Board have continued to build the evidence base and advance the case for devolution to non-metropolitan England. This included the establishment of the Post-Brexit England Commission which sought to develop a refreshed case for devolution to non-metropolitan areas and to re-position councils as a key partner with Government in shaping and supporting a successful post-Brexit England.
2. Following the General Election, the returning Conservative Government included a commitment to publish a Devolution White Paper in the first Queen's Speech. The Queen's Speech briefing notes outlined that the White Paper will set out the Government's strategy for 'continued local economic growth and increased productivity across the country, including plans for institutions, spending priorities, local economic plans and local growth funding'.
3. The planned publication of a Devolution White Paper sits alongside other commitments to progress the Government's ambition to advance devolution and 'level up' the United Kingdom. This includes the long-expected UK Shared Prosperity Fund which the LGA identified as 'the ideal opportunity to empower communities through councils, combined authorities and local areas to drive economic growth, increase prosperity and productivity and tackle deep rooted inequalities'.
4. Within the context of this renewed focus on devolution and growth funding to non-metropolitan England, the LGA commissioned a piece of research that will explore international examples of devolved growth funding, fiscal devolution and the interaction between them.
5. This research will seek to derive the key lessons from these examples to both advance the Board's work on devolution to non-metropolitan England as well as building the LGA's wider case for financial decentralisation and fiscal devolution.

## **Progress update**

6. Following a competitive tender process, Localis were appointed to deliver this research project on behalf of the Board. Localis presented their early findings to the Board in January and members provided feedback on these, particularly on the need for the research to address the 'so what' question and draw out key lessons that will build the case for financial decentralisation and fiscal devolution to non-metropolitan England.
7. Localis have focused the research on international examples of fiscal devolution and growth funding from Germany, Switzerland and the Netherlands. Alongside desk-based research, they have conducted a series of interviews with key stakeholders from each country to better understand how these systems work in practice as well as the lessons for local government in non-metropolitan England.

8. Lead Members have provided feedback on an initial summary of research findings and Localis will use feedback provided by members at the Board to produce a draft report which will be circulated to Lead Members for final comment this month.
9. **Members are invited to comment on the findings of the research presented by Localis and consider how they can be used to most effectively inform the Board's 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.