

Subnational Bodies

Purpose of report

For information.

Summary

This paper updates City Regions Board Members on the actions taken following the recent completion of commissioned research to explore the lessons learned from established and emerging sub-national bodies. This is in advance of a visit from Lord Jim O'Neill, Vice Chair of the Northern Powerhouse Partnership, to the Board who will reflect on the report and share his thoughts regarding the proposition of a new Growth Board for the North.

Recommendations

Members are asked to:

1. **Note** the publication and recommendations of research into sub-national growth bodies.
2. **Consider** and form a collective view around what the remit, functions and accountabilities should be for a Growth Board for the North and the role the LGA should play in developing this work.

Action

Officers to further work in relation to the proposed Growth Board for the North.

Contact officer: Esther Barrott
Position: NGDP Trainee
Phone no: 07464652906
Email: Esther.Barrott@local.gov.uk

Subnational Bodies

Background

1. Building on the LGA's work to support the development of successful Local Industrial Strategies, strengthen England's trade and investment landscape and with a view to influencing the English Devolution White Paper, a research commission was issued in early February 2020 in order to better understand the functions and potential future of both established and emerging sub-national growth bodies.
2. Following an open procurement process Metro Dynamics were awarded the contract and, over the following months, carried out a wide range of interviews and desktop research relating to eight subnational bodies: the Northern Powerhouse (NP11 and Transport for the North); the Midlands Engine; Midlands Connect; Western Gateway; the Oxford-Cambridge Arc; the Great South West Partnership; and, Transport for the South East.
3. Research representatives from Metro Dynamics attended the last board and presented an overview of key findings alongside questions for the Board to consider. The report is now finalised and sets out the evolution of subnational bodies in England; provides detailed case studies of established and emerging subnational bodies; considers the lessons learned from these organisations; and, looks at the potential implications within the context of the forthcoming Devolution White Paper. The full report can be found [here](#).
4. Prior to the launch of the report, a letter was sent from the Chair of the City Regions Board to the then Minister of State for Regional Growth and Local Government. The letter highlighted the key recommendations from the report and urged him to give serious consideration in the development of the forthcoming Local Economic Recovery and Devolution White Paper. In summary, the key recommendations from the report are as follows:
 - 4.1. **Further devolution** – The pre-condition for successful subnational working is strong and empowered local government. Therefore, devolution needs to be extended across all of England, mayoral combined authorities should be further strengthened so they can lead social and economic recovery and renewal, and subnational bodies should be at the level at which the local meets national through a pan-regional partnership.
 - 4.2. **Economic recovery and levelling up** – There should be a systems approach to economic recovery and levelling up, with clarity about the role of each level in this process. Mayoral combined authorities, councils and LEPs should drive recovery and building back better at a city region level, subnational bodies should have clear remit in a national plan for economic recovery, renewal and levelling up and this should be supported by a process that hardwires this approach into Whitehall.

- 4.3. **Functions** – Some functions that could be best performed at subnational level to drive economic renewal and levelling up could include a subnational partnership agreement on pan-regional industrial priorities, a pan-regional equity investment fund, devolution of statutory functions and budget for transport and infrastructure, trade and international investment with devolution of Department for International Trade functions and creation and consolidation of economic observatories.
- 4.4. **Governance** – For partnerships receiving Government funding, governance principles should support local and national partnerships and emphasise complementarity and additionality to the role of mayoral combined authorities, councils and LEPs. This means a form of governance that is representative of local government and geographically complete, includes key figures from regional business, LEPs and universities and has an independent chair agreed by all partners.
5. The Prime Minister has publicly declared an intention to create a Growth Board for the North to ‘level up’ prosperity across the country by creating a new body to drive economic growth in the north of England. It remains unclear whether this intention persists and how it will be acted upon. In particular, there is uncertainty around what the body’s remit would be, who it would be accountable to, what its responsibilities would be as well as questions around the relationship it would have with other Mayoral Combined Authorities and LEPs.
6. Following a suggestion at City Region Lead Members, Lord Jim O’Neill, Vice Chair of the Northern Powerhouse Partnership has agreed to come along and provide members with his reflections on the report and his thinking around the formation of a new Growth Board for the North.

Next Steps

7. Following the boards consideration of the research and the discussion with Lord O’Neill members are asked to reflect on the potential opportunities for further activity in this area and steer officers as to the issues of priority.

Appendix A: Lord Jim O'Neill of Gatley – Vice Chair of the Northern Powerhouse Partnership

Lord Jim O'Neill is currently the vice-chair of the Northern Powerhouse Partnership and a member of Shelter Social Housing Commission. Since leaving government in September 2016, having been Commercial Secretary to the Treasury, Jim moved to the crossbenches of the House of Lords.

From 2013 to 2014, he chaired the Cities Growth Commission in the UK, which formed the impetus for the government's policy on devolution as well as the concept of the Northern Powerhouse. Prior to this, Jim worked for Goldman Sachs between 1995 and April 2013 and spent most of his time there as chief economist.

