

Devolution Update

Purpose of report

For discussion.

Summary

This paper provides a brief update on two areas of activity: research currently underway by the LGA into existing proposals for devolution and non-legislative opportunities to support local economic recovery; and, the potential to align health devolution as defined by the NHS with devolution to local government.

Recommendations

Members of the City Regions Board are asked to

- i. **Consider** work to review the range of existing devolution asks summarised at **Appendix 1** and identify any other aspects that might be captured as part of this research or broader interventions to support local economic recovery.
- ii. **Note** that a joint meeting between Lead Members of the City Regions, People and Places and Community Well-Being Boards has been arranged for 26 November.

Action

Officers to take forward work subject to the comments of members.

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Devolution Update

Background

1. It is understood that the Local Economic Recovery and Devolution White Paper has been delayed until the New Year. It has also been suggested that the importance placed by Ministers on a process of widespread local government reorganisation as a precondition of further devolution has diminished. That said, three areas, Somerset, North Yorkshire and Cumbria have been invited by Government to develop proposals for local governance reform and at least five other areas are understood to be considering further work.
2. The LGA has long called for greater local devolution and the City Regions Board has played a key role in shaping policy in this area. We are well placed to respond to the White Paper should it emerge sooner rather than later and have a depth of research to support our arguments. However, the delay creates the possibility of further exploring two lines of argument: the focus of future devolution asks set alongside non-legislative support to boost recovery and renewal in the short to medium term; and, the potential to align health devolution as defined by the NHS with devolution to local government.
3. This paper provides an update on research by the LGA into existing proposals for devolution and other potential opportunities to support economic growth and recovery in the short-medium term. Following discussions with both the City Regions and People and Places Boards it has been agreed that a joint session of Lead Members will be convened to explore the topic of health devolution with Lead Members from the Community Wellbeing Board. The date for this meeting has been scheduled for 26 November and an agenda will be circulated to participants shortly.

Issues

4. The previous wave of devolution undertaken between 2014 and 2017 largely ran to a standardised model: areas were invited to bid for the chance to strike a devolution deal; the government pursued those it determined warranted the greatest support; and, with the notable exception of Cornwall, those areas that were successful were required to establish a (mayoral) combined authority in order to complete the deal.
5. Consequently, one of the key fault lines surrounding this process was to be found on the issue of governance. Many non-metropolitan areas were either unconvinced of the need or unable to agree to establish a mayoral combined authority in order to access greater powers and resources. Conversely, many of those areas that had gone through the process of setting up a mayoral combined authority, were more prepared to accept the Government's arguments regarding accountability and institutional standardisation.
6. A mayoral combined authority is a substantial institution. It has staff, it has a legal identity, it has resources and it exercises powers. It provides a robust platform for cross-administrative collaboration. It is not dependent on devolution and, likewise, there is nothing in law to prevent devolution to a non-combined authority.

7. Even without the delay to the White Paper, combined authorities take time and resources to establish. While there is a clear case for existing combined authorities to receive devolved powers and resources to support recovery, this is not a solution for those areas without a combined authority or for those powers and resources which might be better exercised by local authorities.
8. Recognising both the national context and the challenges identified above the LGA is currently in the process of conducting research into existing devolution asks. The initial stage of this research is a mapping exercise that sets out the policy areas with detailed proposals for devolution, summarised at **Appendix 1**.
9. It will be clear from this list that most of these devolution asks centre on economic interventions. As part of the next stage of this work we will be considering, which of these areas might require new legislation and, separately, which relate to functions that might be operated on a single or multi-council footprint. For example, while it might make sense for strategic infrastructure planning to operate on a sub-national basis, it would seem to be less sensible to restrict fee flexibility or the introduction of a local tourism levy to those authorities that have established a mayoral combined authority or other form of multi-council partnership.
10. Work is also underway to explore the potential of a future wave of City or Growth Deals to support economic recovery alongside non-structural or structural devolution. **Appendix 2** sets out an overview of the Wave 1 City Deals. Over the next few weeks, we will start to explore the potential to advocate for a similar 'Recovery Deal' model, recognising that while devolution has an important role to play in recovery it is difficult to match the pace of the Government's recent approach to devolution, with the urgent need for investment and renewal.
11. Given the rapidly evolving national context we are also in the process of considering the case for developing devolution and localisation asks outside the framework of economic intervention and recovery. For example, by looking at the balance of central and local relationships in areas that have been placed into a local lockdown.
12. In reviewing this work, Members are asked to: provide a steer on whether there are any significant gaps in the list of existing devolution asks; comment on the proposal to consider whether these powers might be devolved to a single or multi-council area; reflect on the potential to develop a 'recovery deal' model; and, how best to expand the menu of devolution asks to take account of the unfolding national context.

Next steps

13. Members of the City Regions Board are asked to
 - i. **Consider** work to review the range of existing devolution asks summarised at **Appendix 1** and identify any other aspects that might be captured as part of this research.
 - ii. **Note** that a joint meeting between Lead Members of the City Regions, People and Places and Community Well-Being Boards has been arranged for 26 November.

Implications for Wales

14. The LGA has worked closely with the Welsh Local Government Association and the associations of the other devolved administrations throughout the coronavirus pandemic and will continue to do so through the process of recovery. Councils in Wales are on a different devolution journey to those in England.

Financial Implications

15. Project costs related to the commissioning of any external support will be met from the board's policy budget.