

Governance in the context of devolution

Purpose of report

For discussion.

Summary

This paper provides background for members' discussion of how the LGA should be seeking to shape the next stage of the public debate about governance in the context of devolution. The paper sets out:

- The current position
- International comparisons
- Emerging thinking on governance in the September 4 submissions
- Options for future projects

Recommendation

Members are asked to discuss the issues and provide a steer.

Action

Officers to take forward as directed by members.

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Introduction

1. Governance has emerged as a key issue in devolution discussions. In our report, [*English Devolution: local solution for a successful nation*](#), we emphasised the need for governance debates to stretch beyond specific models to the range of more fundamental issues linked to delivering greater accountability, transparency and scrutiny over public spending and public services in local areas.
2. This paper invites members to consider how the LGA should seek to shape the public debate about devolved governance, as well as some proposals for further work in this area.

The current position

3. Until recently, the Mayor of London had a unique position within English local government, exercising rights and powers not afforded to elected mayors in other areas. In November 2014, it was announced that Greater Manchester would also be establishing a directly-elected mayor to assume a range of powers and responsibilities from central government, including strategic planning, a housing investment fund and health. The Greater Manchester mayoral model has significant differences from the London model, and is designed to provide direct accountability whilst ensuring that decisions are taken at the right spatial level.
4. The Government has linked the offer of further devolution to city regions to the acceptance of a directly-elected mayor. The grounds for promoting the mayoral model is that it offers people a single point of accountability in the form of “someone they elect who takes the decisions and carries the can.”¹
5. In May, the Chancellor offered to give all city regions prepared to accept a directly-elected mayor greater control over local transport, housing, skills and healthcare. In subsequent announcements, a series of other powers were offered to city region mayors, including:
 - 5.1 Responsibility for local bus services;
 - 5.2 Discretion to set Sunday trading hours;
 - 5.3 The power to establish development corporations;
 - 5.4 The ability to add a premium to business rates to invest in infrastructure.
6. This month it was announced that Sheffield City Region had secured a deal that would involve establishing a mayor to assume functions such as strategic planning, local transport and bus franchising.
7. Feedback from devolution negotiations indicates that the Government has been holding firm to the condition that city regions must be prepared to accept a mayor in order to do a deal. Messages regarding the governance arrangements expected of two-tier areas have

¹Building a Northern Powerhouse Speech. Delivered on 14th May, 2015 by the Chancellor.

been more mixed. In July, Cornwall Council secured the first devolution deal in a non-metropolitan area without being required to accept a directly-elected mayor. However, the council agreed to a boundary review that is expected to reduce the number of councillors and the Government signalled that any further devolution would be predicated on meeting the ambition for visible and accountable leadership.

International comparisons

8. One of the other grounds that the Government has used to promote the directly-elected mayoral model is that most major cities around the world have mayors. A cursory review across OECD countries indicates that direct accountability in the form of elected mayors is the most common model of municipal governance, including in:
 - 8.1 United States, with a long history of mayoral governance with a range of models adapted to local contexts. The scale of executive powers vested in the mayor and the relationship between the mayor and the rest of the council varies greatly across cities.²
 - 8.2 Italy, which introduced this model in 1993 via two different types of election according to the size of the municipality and accompanied by a consolidation of the role of the executive. This model was introduced in part to address political instability in the previous system.³
 - 8.3 Germany, where all federal States (Länder) have been required to provide for the direct election of an executive mayor since 1999, with the exception of the City States of Berlin, Hamburg and Bremen where mayors are elected by the respective city-state parliaments. The term of office and powers of the mayor vary across the country.⁴
9. Reflecting on how mayors operate in international contexts, it is clear that there is no “one-size-fits-all” model even within relatively uniform political systems. One of the key variables is the balance of power between the mayor and the council. A number of models also address the risk of overconcentration of powers through vetoes or the capacity to remove powers from the mayor

Emerging thinking within England

10. In the devolution submissions that were made to Government in September, all places recognised that they would need to strengthen their governance arrangements in order to assume substantial new powers and responsibilities and were open to discussing the governance arrangements that would be appropriate to the scale of devolution on offer. About one-quarter of the submissions signalled an openness to the mayoral proposition specifically. Over half of the bids make clear that their area has embarked upon the formation of a combined authority, or intends to do so.

² See: <http://www.nlc.org/build-skills-and-networks/resources/cities-101/city-officials/mayoral-powers>

³ Annick Magnier, 'Between Institutional Learning and Re-legitimization: Italian Mayors in the Unending Reform', *International Journal of Urban and Regional Research* (2004)

⁴ H. Wollmann, 'The Directly Elected Executive Mayor in German Local Government', in *Transforming Local Political Leadership* (2005)

Options for future work

11. Governance is likely to remain a major element of devolution discussions. Although there is a balance to be struck between agreeing shared outcomes and priorities and deciding on the appropriate governance framework to support delivery, the pace at which negotiations are taking place lends urgency to addressing issues of accountability. The risk is that the issue of directly-elected mayors will continue to dominate the debate. In previous discussions at the City Regions Board, members have observed that there is a need to widen the debate to include other issues such as:
 - 11.1 Mechanisms for making decision-making more transparent;
 - 11.2 Strengthening resident and community engagement;
 - 11.3 Enhancing overview and scrutiny functions.

12. With respect to overview and scrutiny, officers have been in discussions with the Centre for Public Scrutiny (CfPS). The work programme of the CfPS this year includes providing direct support to a few combined authorities with devolution deals help them develop robust governance arrangements which are accountable, transparent and that involve a range of local people. LGA officers will work closely with CfPS to ensure learning from this engagement is captured and shared.

13. Members are asked for views on whether the Board should commission future work on governance. The following are set out as possible projects for consideration:
 - 13.1 Joint development of tools to support enhanced overview and scrutiny (potentially with the CfPS);
 - 13.2 Case studies or a literature review of international municipal governance models;
 - 13.3 A series of think-pieces on enhancing urban governance in England;
 - 13.4 Case studies on community engagement and double devolution.