# **English Devolution**

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#### **DUNCAN HENDERSON & AKASH PAUN**

As part of its levelling up strategy, the government has promised that by 2030 "every part of England that wants one" will have an expansive devolution deal, backed by a simplified, long-term funding settlement.

Sir Keir Starmer has also promised that a future Labour administration would devolve power within England as part of a "a huge power shift out of Westminster".

## What is the history of English devolution?

The post-1997 Labour governments devolved powers to Scotland, Wales and Northern Ireland, but England was largely left out of this process.

The only part of England granted devolved powers under Labour was Greater London, where a Mayor of London and London Assembly were created in 2000.

Planned elected assemblies in other English regions were abandoned after a failed referendum in the North East in 2004. Instead, the English regions were granted a limited form of administrative decentralisation via Regional Development Agencies and Government Offices for the Regions.

This regional tier was swept away by the coalition government after 2010, leaving England with a missing intermediate tier of government.

The government started the current process of English devolution in 2014, negotiating bespoke deals with groups of local authorities, typically clustered around a major urban centre. Nine deals were implemented between 2015 and 2019. In each case, powers were devolved to a mayoral combined authority (MCA), comprised of local council leaders and chaired by an elected metro mayor.

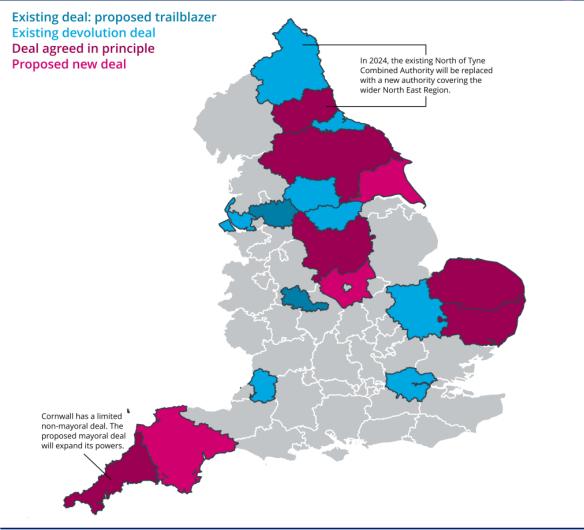
As part of its levelling up strategy, the government is now devolving powers to other parts of England, including rural areas. Ministers are also negotiating to extend the powers of Greater Manchester and the West Midlands.

To add to the complexity, the government is now legislating to create a new form of combined authority, called a 'Combined County Authority' (CCA), which can be formed in areas with two tiers of local government – a county council and a number of district councils. Unlike MCAs, CCAs can be formed by agreement between county councils and unitary authorities only, whereas MCAs must include district councils as well.

## How much of England has devolution?

There are currently ten areas with mayoral devolution in England: Greater London, West Midlands, Greater Manchester, Liverpool City Region, West Yorkshire, South Yorkshire, Cambridgeshire and Peterborough, Tees Valley, West of England, and North of Tyne.

If implemented, the six provisional deals published in 2022 will extend devolution to York and North Yorkshire, East Midlands, Suffolk, Norfolk, Cornwall, and more of the North East.



Source: Institute for Government analysis of Department for Levelling Up, Housing, and Communities, *Levelling Up the United Kingdom*, 2022. Notes: Deals awaiting implementation have concluded negotations and been published by the UK government. Proposed deals were listed in the levelling up white paper but have not had a formal deal published; deals may also be made in other areas. Trailblazer deals will expand on existing devolution in Greater Manchester and the West Midlands.

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Existing and proposed mayoral devolution in England, by area

Devolution currently covers 41% of England's population, 49% of its economic output, and 14% of the land area. If the six deals concluded in 2022 are implemented, this will increase to 52%, 58%, and 36% respectively in 2024, meaning the majority of England's population will have a mayor for the first time.

A new set of deals may further expand devolution. In January 2023, levelling up secretary Michael Gove listed four northern areas where devolution negotiations would now take place: Cumbria, Lancashire, Cheshire and Warrington, and East Riding and Hull.





Source: Institute for Government analysis of ONS population estimates, mid-year 2021; ONS regional gross value added, 2020; ONS standard area measurements for administrative areas in the UK. All data includes Greater London. Future deals announced by the UK government are East Midlands, York and North Yorkshire, Suffolk, Norfolk, Cornwall, and North East.

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Proportion of England covered by mayoral devolution deals, 2014-2023 and future deals

#### Which powers are devolved?

Each devolution deal is negotiated separately between ministers and local council leaders, but most deals devolve a core set of powers relating to transport, skills and economic development.

All the devolution deals implemented since 2015 also include a 30-year investment fund that combined authorities can allocate flexibly to support economic growth.

Most metro mayors can establish development corporations, with powers over planning and development, and can impose a precept on council tax to fund specific projects. They require the agreement of local council leaders to use these powers.

The six new deals concluded in 2022 will all devolve this core set of powers.

The mayors of London, Greater Manchester and West Yorkshire have also taken on the functions of the police and crime commissioner. And there has been some devolution of employment support and NHS functions to Greater Manchester and London.

A devolution deal was also concluded in 2015 with Cornwall council, without a mayor and with a much more limited set of devolved powers released by Whitehall. This will be superseded by the mayoral deal agreed in 2022.

In February 2022, Greater Manchester and the West Midlands were invited to negotiate expanded 'trailblazer' devolution deals with the government. Gove confirmed progress was being made in January 2023.

These deals are due to be finalised in spring 2023, and are expected to devolve further powers over transport, skills, employment, and housing, as well as a new simplified funding settlement with expanded flexibility over spending.

## Does devolution require the adoption of an elected mayor?

All the devolution deals implemented since 2015 – with the exception of the limited Cornish deal – have involved the adoption of an elected mayor. This was a prerequisite for devolution under the Cameron and May administrations.

The government continues to favour mayoral devolution, but in its levelling up white paper it announced that a more flexible approach would be taken in future.

The white paper set out an indicative three-tier framework for future devolution deals, offering different powers dependent on the governance model adopted.

Level three deals require the adoption of a mayor – either as directly-elected leader of a county council, or as chair of a combined authority – but offer the most expansive powers, including the ability to absorb the functions of Local Enterprise Partnerships and – where the geography aligns – of the Police and Crime Commissioner.

All six deals announced in 2022 are at level three of the devolution framework. The East Midlands deal will create the first CCA; the York and North Yorkshire and North East deals will create new MCAs; and the Norfolk, Suffolk and Cornwall deals will involve a directly-elected council leader.

Level two deals can be concluded with county councils or combined authorities that are not led by a directly-elected mayor. They offer fewer powers – notably not including control of transport spending or a long-term investment fund.

Level one deals are far more limited, offering only a limited "strategic role in delivering services".

No level two or level one deals have yet been concluded.

# What is the role of metro mayors?

The government intends for mayors to be "strong local leaders" that local residents can hold directly accountable.<sup>1</sup>

Metro mayors do not have strong executive powers. Mayoral decisions can be rejected or overturned by other members of their combined authority. The precise rules vary across the different combined authorities, but big decisions – for instance over budgets and transport plans – often require two-thirds support. On some issues, such as the adoption of spatial plans for housing and infrastructure development, unanimous agreement is required. Other decisions – for instance the creation of a mayoral development corporation (MDC) – require the support of the leader of the council where the MDC will operate.

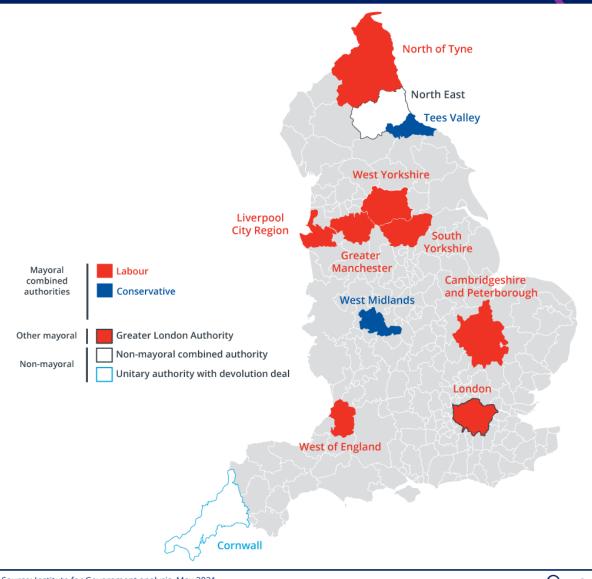
Mayors can also influence policy outside of their formal responsibility by using the 'soft power' that comes with their high profile and personal electoral mandate. For example, Andy Burnham has prioritised the reduction of homelessness in Greater Manchester and has sought to make progress by persuading other local organisations to take action.

Directly-elected council leaders – such as those proposed in Suffolk, Norfolk, and Cornwall, as well as those that already exist in a handful of smaller local areas across England – are in a different position. As executive mayors, they will be free to exercise any existing local government or newly devolved functions. Councils are able to overturn the mayor's budget with a two-thirds majority.

#### How are mayors elected?

The most recent metro mayor election was in May 2022 in South Yorkshire, while eight elections took place in May 2021. The next metro mayoral elections are scheduled for 2024.

Past elections used the supplementary vote (SV) system. Future elections will use first past the post (FPTP) following the implementation of the Elections Act 2022.<sup>2</sup>



Source: Institute for Government analysis, May 2021.

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Current state of English devolution, by mayoral arrangement and metro mayor party

Turnout at mayoral elections is generally lower than turnout at devolved elections in Scotland, Wales, and Northern Ireland. The average turnout was 35% across the eight mayoral elections held in 2021. It was highest in London (41%) and lowest in the Liverpool City Region (30%).<sup>3</sup>