

# POWER TO THE PEOPLE?

**The route to English devolution**

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## **About Unlock Democracy**

Unlock Democracy argues and campaigns for a vibrant, inclusive democracy that puts power in the hands of the people. We seek a democratic participative process resulting in a written constitution that serves and protects the people. That constitution would define the roles of, and relationships between, the Executive, Legislature and Judiciary. It would determine how, and to what extent, power is shared between representatives at local, national and United Kingdom levels, and with international organisations. It would enshrine basic liberties and human rights for all.

## **About Compass**

Compass is the pressure group for a Good Society, a world that is much more equal, democratic and sustainable. We build alliances of ideas, parties and organisations to help make systemic political change happen. Our strategic focus is to understand, build, support, and accelerate new forms of democratic practice and collaborative action that are taking place in civil society and the economy, and to link those with state reforms and policy. The meeting point of emerging horizontal participation and vertical resource and policy we call 45° Change. Our practical focus is the campaign to Win As One, a coalition of values, policies, parties, activists, and voters which can form a new government to break the logjam of old politics and usher in a new politics for a new society.

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# Executive summary

National and local political leaders, and publics alike, increasingly agree that English governance is over-centralised, and that more-or-less radical devolution is required. The prospect of a new government in 2024/5 arguably creates a unique opening and new impetus for a radical devolutionary settlement in England.

But how can we best take advantage of this seemingly propitious moment? What can prevent a rapid reversion to the deeply embedded culture of centralism in England, where the statements and actions of ministers are prone to frequently and flatly contradicting devolutionary rhetoric?

In this report, we consider five recent proposals for English devolution authored respectively by the Bennett Institute and Institute for Government, the Brown Commission on the UK's Future, The Fabian Society, New Local and the Constitution Group and John Denham with the Constitution Group of the Society of Labour Lawyers – the latter in the form of a briefing on Labour's shadow Take Back Control Bill.

The report analyses the devolutionary potential in these proposals following fourteen criteria and organised into themes: power, money, governance and political culture. It then proceeds to consider the likelihood of implementation over the next two parliamentary terms. Tables 1-5 summarise our findings. The report concludes with recommendations for English devolution, summarised below.

Each of the five proposals we look at focuses on different aspects of the problem. From this perspective, we find the New Local proposals, co-produced with local leaders, to be the most comprehensive of the ones we looked at, primarily because of their reach and detailed attention to the need for community empowerment throughout the design and implementation of devolution. The New Local report is reinforced by the views of local leaders captured in a survey undertaken by Unlock Democracy in parallel with our inquiry (see Appendix 1). This survey echoes the desire amongst many local leaders for a flexible, bottom-up and community-focused approach, breaking from the prescriptive approaches of past and present governments.

There is also considerable merit in the other wide-ranging proposals. We are very grateful to the authors of all of them for providing such rich and stimulating source material for our analysis.

A strength common to all the reports is that all recognise the current “devolution by design” model to be inadequate, overly prescriptive and insufficiently sensitive to local need. The Fabian Society elaborates a bold proposal for fiscal devolution, which would also widen the functional remit of sub-national authorities and address equity considerations.

The Take Back Control briefing, and the Brown Commission, focus primarily on central-local relations and the need for constitutional autonomy for sub-national authorities. They recommend enshrining the subsidiarity principle in law. Brown goes further, arguing for the House of Lords to become an Assembly of the Nations and Regions – possibly the most radical and controversial of the proposals. The Bennett and IfG report also focuses on institutional reform, arguing that this is a precondition for effective devolution.

We agree that there is an urgent need for both institutional and cultural reform of central-local relations, disrupting both central government “control-freakery” (Wilson, 2003) and municipal “Stockholm syndrome” (Copus, Roberts and Wall, 2017: 180). However, remodelling this system will only work if it simultaneously empowers local authorities and communities. Drawing from New Labour discourses, the Brown Commission highlights the need for “double devolution” in parallel with structural reform. However, it is not entirely clear what this means, or who will decide.

On the practical question of whether reforms can be implemented successfully within the next two parliamentary terms, all five proposals argue, reasonably convincingly, that they can.

The penultimate section of the report reflects on the opportunities and barriers. The opportunities lie in the widely shared view that a radical devolution settlement is needed, shared by The Department for Levelling Up, Housing and Communities (despite the centralising impulse of ministers), HM Opposition, local leaders and communities alike.

The five proposals all provide inspiration and guidance for an incoming government, if it is determined to act. However, there are major barriers that will have to be overcome.

One is the conservative, centralising reflex that seems to overcome ministers once they assume office. Another is that consent for devolution by no means entails consent for specific proposals at either national and local scales, or among communities. A radical and universal devolutionary settlement could be introduced from the centre to get the job done. However, to be legitimate at scale, consent for devolution must also be won from the bottom up. As the slow, uneven advance of the metro mayoral approach illustrates, it will be impossible to devolve without some pain to some actors. Yet, with sufficient determination, we argue, devolution can be done and over time, become embedded in constitutional precedent, custom and practice.

Our report emphasises the need for radicalism, whilst recognising immense pressures towards conservatism and incrementalism. Our view is that without the radical ambition we articulate, we might not even get incrementalism. Now is the time.

The report concludes with recommendations, summarised here in brief. Most of the recommendations articulate, or are inspired by, those set out in the five proposals.

Our first broad recommendation is that the incoming government should take a **holistic approach to devolution, working on the economic, institutional, cultural, geographic and democratic dimensions in tandem**. Radical devolution requires a radical approach and a comprehensive, coherent and irreversible plan for reform. It must be developed by the centre in partnership with local leaders and communities, and not solely as another top-down project.

## Power

- **Protect the constitutional autonomy of devolved and local institutions** through a dedicated English Subsidiarity Bill (see below), explicitly defined as constitutional legislation, that provides devolved and local authorities with exclusive powers within their competences, based on a principle of non-interference from the centre.
- **Devolve a wider range of powers**, based on the principles of flexibility and fully funded mandates.

## Money

- **Create stable funding for local government** through longer (3-5 years) cycles, and by removing the current competitive approach to funding allocation, to give councils more breathing-space and clarity over planning.
- **Allow sub-national authorities to set a range of local levies**. Following the “double-devolutionary” principle, it would therefore be the task of local authorities to determine the merits and equity implications of specific charges in dialogue with their citizens.
- **Rewire the funding system for sub-national government institutions to address instability and chronic under-funding**. We recommend a ‘Fair Funding Bill’ to provide coherence and stability to the reforms, protect them from unnecessary churn.
- **Address the austerity-driven collapse in discretionary service provision**. This debate is not only about funding, but also about the public purpose of sub-national government.
- **Revive and enhance place-based approaches to funding**, learning from past efforts and improving upon them and putting the citizen experience at the forefront.

## Governance and Culture

- **Create a statutory body that gives formal representation to English Local Government at the centre**, to provide the foundations for a stable, cooperative relationship between them and a counter-weight to central government power.

- **By Spring 2025, establish a Convention on the future of English Governance** to determine devolutionary goals and timescales. The Convention could also devise a new formula for equitable needs-based funding.
- **Enact an English Subsidiarity Bill**, enshrining the subsidiarity principle in law.
- **Develop mechanisms at both national and local levels to ensure that citizens have a say** in the guiding principles and geographies of devolution as well as its local configurations, and its subsequent implementation.
- **Both central and local governments must work specifically on culture change.** We recommend that the UK government introduces an organisational change programme to work against the Westminster-Whitehall control-reflex, and that local government bodies do similar to counter “municipal Stockholm Syndrome”.



# Introduction

It is widely recognised that the UK is one of the most centralised and regionally unequal countries in the developed world (UK 2070 Commission, 2020; McCann, 2016 and 2019; Webb et al, 2022). This is particularly true in England, where devolution remains a patchwork and incoherent project that does not benefit all people and places, while socio-economic inequalities continue to grow (Raikes, Giovannini and Getzel, 2019).

Few disagree that the centralised culture of UK governance is a significant driver of spatial inequality. Yet, as noted by the OECD (2019), devolution should not be considered a panacea for any type of problem a country may face, nor should it be seen as an objective in and of itself. Outcomes (in terms of democracy, efficiency, accountability, regional and local development) depend greatly on how devolution is designed and implemented. In sum, if done properly, devolution can be conducive to public sector efficiency, democratisation, spatial equity and political stability (ibidem). However, doing devolution properly in England remains a major challenge.

Against this background, we need to understand **why, despite many attempts over the past decades, English devolution continues to be a policy that struggles to take root and succeed.**

The aim of this report is to shed light on this conundrum, and reflect on what a credible devolution plan, implementable within the next two parliamentary terms, might look like. To achieve this, we have reviewed some of the most recent devolution proposals put forward by think-tanks, research and policy groups that seek to address the issue and provide a roadmap for reform.

We have then assessed the extent to which these proposals are ‘truly devolutionary’ and their ‘likelihood of implementation’ by testing them against a set of criteria based on OECD benchmarks, regional authority (Shakel, 2018) and self-rule for local authorities indices (Ledner, Keuffer and Bastianen, 2021).

Drawing on these criteria, we have evaluated the reports with a view to extracting the recommendations and measures that, put together, could provide a viable and coherent basis for an effective devolution plan.

The report is organised as follows.

First, we set the scene and provide context for our analysis, offering an overview of key issues that help frame the debate around devolution in England. Second, we explain our framework for analysis and methodology. Third, we develop a thematic analysis of the proposals

we assessed, focusing on power, money, and governance and culture. Fourth, we evaluate the selected reports against our criteria, highlighting the recommendations that emerge as most devolutionary and implementable, and concluding with a set of suggestions for a coherent plan for devolution that could be taken on board by the next government.

# Stumbling through: the difficult path of English devolution

Attempts to develop a devolution plan for England date back to the 1970s, when the Kilbrandon Commission sought to set a framework for a new territorial constitution that would help settle centrifugal forces from the 'Celtic nations' of the UK. Even then, England remained the 'odd one out', and the Commission could not agree on the role and place of the largest UK nation in a reformed union.

In keeping with the British political tradition of hierarchical and centralising approaches to governance (Richards and Smith, 2015 and 2016), the result was 'muddling through' thus avoiding vexed questions of power dispersal for England. It was only in 1997, with the election of the New Labour government led by Tony Blair that devolution reached the top of the political agenda.

And yet, while political devolution was incrementally granted to Scotland, Wales and Northern Ireland, and with the exception of London, England remained largely excluded from the process and did not gain real territorial autonomy for its localities (Giovannini, 2022).

During the New Labour era, English devolution turned into a form of functional regionalism (Keating, 2006): the agenda was tightly connected with issues of regional economic development, while the democratic and identity dimensions of the policy were slowly but steadily put on the backburner (Giovannini, 2022, 2021a and 2016).

Regional Development Agencies (RDAs) were set up by the government across England to help rebalance socio-economic inequalities, but the directly elected regional assemblies that should have followed RDAs were swiftly discarded after the failure of the 2004 North-East referendum (Willett and Giovannini, 2014; Sandford, 2009).

From there on, the focus has remained on the economic dividends of devolution, with a shift towards city-regions and macro-regional plans (such as the Northern Way) seen as the most apt scale to bridge the North-South divide and achieve regional rebalancing (Giovannini, 2022).

With the election of a Conservative-Lib Dem coalition government in 2010, RDAs were disbanded, but devolution did not disappear from the political debate.

Since then, Local Enterprise Partnerships, Combined Authorities and metro mayoralities have developed alongside new agendas – from the Northern Powerhouse to Levelling Up – to address the 'English Question' and develop a devolution plan for England that remains tightly connected with regional development aims.

But these ‘governance innovations’ were implemented by the coalition and conservative governments to meet electoral imperatives and to put a ‘political stamp’ on the agenda, rather than as part of a long-term coherent strategy (Giovannini and Griggs, 2022).

In any case, the process has remained top-down and unfinished. Only some parts of England have been ‘granted’ devolution deals by central government, while others – often in ‘left behind areas’ – are still missing out (Webb et al 2022, Giovannini and Johns 2021, Giovannini, 2021a). Few areas have received the powers and resources that will enable them to make significant changes to their area (Giovannini, 2021a).

Meanwhile, in contrast with what happened in the other nations of the UK, the public has been largely excluded from the debate, and new devolved institutions have been imposed by the centre through elite co-option – paying limited attention to the interest of citizens and leaving existing structures of power within the Westminster system unchallenged (Richards and Smith, 2016; Prosser et al, 2017).

Overall, attempts at developing a devolution agenda in England have been markedly short-term, and prey to continuous institutional and policy churn (Norris and Adams, 2017; Pike et al, 2016), with new bodies and strategies put in place by the government of the day only to be disbanded, replaced or rebranded by the following one.

The tortuous path of English devolution described above has also been accompanied by local government reform processes that have seen councils incrementally losing their autonomy, power and resources. As clearly highlighted by a recent Unlock Democracy report, this has set them on a path of decline (Barnett, Giovannini and Griggs, 2021) that has been further exacerbated by austerity measures and the ‘polycrisis’ currently looming over the British political system (Giovannini and Griggs, 2022; APSE 2021).

The result of this combination of inchoate efforts to reform England’s territorial governance is, unsurprisingly, a fragmented and incoherent landscape.

On the one hand, parties across the political spectrum acknowledge the need to implement devolution. The Levelling Up White Paper published under the auspices of the Conservative government in 2022 promised “further devolution of decision-making powers to local leaders where decisions are often best taken” (HM Government, 2022, p. x), but within a prescriptive city-regional framework that has not, in any case, been fully delivered (Webb et al, 2022).

With a General Election looming, the Labour Party has committed to introduce a Take Back Control Bill, promising a “huge power shift out of Westminster” by giving more levers to local leaders and communities “with skin in the game” (Starmer, 2023).

Yet, on the other hand, there remains a deeply ingrained inability within Westminster and Whitehall to devise a coherent framework, or indeed a policy strategy, that is clear, realistic, and can 'stick' in the long term. Experience suggests that devolutionary intent is rarely matched by devolutionary action.

The centralising and power-hoarding nature of the Westminster system lies at the heart of the issue: it permeates centre-local relations and acts as a structural barrier to achieving meaningful devolution in England (Giovannini and Griggs, 2022; Barnett, Giovannini and Griggs, 2021).

In sum, as Richards et al (2023) aptly put it, over the past decades successive governments have been constantly initiating reforms to address these shortcomings. However, reforms have been grafted on in an ad hoc, layered and disjointed manner, creating an increasingly 'incoherent state' that seeks to control a sclerotic, fragmented system of overlapping devolved and local government arrangements and thus fails to deliver.

The findings of the Public Administration and Constitutional Affairs Committee (PACAC) recent enquiry on Governing England provide a sobering summary of the problem, raising "significant concerns about current governance arrangements for England" (PACAC, 2022, p. 19). In particular, the report highlights that:

*Successive Governments, far from putting in place careful reforms to nurture and develop decentralised and durable governance structures for England, have adopted a piecemeal and uncoordinated approach. This is simply not good enough.*

*The long-term viability of governance arrangements in England is a significant and pressing problem that has been neglected by successive governments for too long. It is clear that those in local government want a system that enables them to deliver for people and businesses in their area. However, the reality is that the governance arrangements for England are simply too complex, and too much is controlled from the centre. We heard that people in England have particularly low political efficacy, meaning they simply do not think that their voice will be heard or matters. This is a serious warning sign for the health of democracy in the United Kingdom.*

*There is an urgent and pressing need for significant reform of the governance arrangements of England, so that they not only work effectively, but can be seen to work effectively, in order to strengthen and restore the public trust in the functioning of our democracy at all levels (PACAC, 2022, pp. 42-43).*

Thus, the diagnosis is clear: for too long, the centre has sought to

retain too much power within its grasp, with negative effects on political, policy, economic and democratic outcomes.

To shift the dial, the next government must work collaboratively to overhaul the existing short-term, incoherent and disjointed governance arrangements for England, putting meaningful devolution at the core of a new system of centre-local power relations. This report discusses proposals for tackling this issue.

In the following section, we explain our framework for analysing five recent proposals, with a view to assessing how the latest thinking on devolution might help an incoming government to maintain and deliver its reforming commitments in full.

# Assessing devolution proposals: a framework for analysis

Over the past decades, and notably since publication of the Levelling Up White Paper in 2022, there has been a proliferation of reports evaluating the shortcomings of governance in England and offering recommendations for a devolution blueprint that can help shape the political agenda. Providing an exhaustive assessment of all the work produced in the past years is beyond the remit of this study. Instead, we have selected a series of reports that come from a range of sources (from think-tanks, to academics, to policy-makers) and offer an overview of the key concerns emerging in this type of work – with a view to assessing the reform proposals they put forward and gauging the extent to which these are devolutionary and practically implementable by a future government. Thus, our aim is to explore what could realistically be done to develop a sustainable programme of devolution for England, that addresses the shortcomings so clearly highlighted by the PACAC enquiry, by synthesising the latest thinking on the subject.

Upon a review of relevant reports produced over the past years, we selected the following documents in line with Unlock Democracy’s and Compass’ determination to promote deep devolution and community power:

1. **Devolving English Government** (Kenny and Newman, 2023) – a report forming part of a major review of the UK constitution jointly conducted by Institute for Government (IfG) and the Bennett Institute for Public Policy. This work provides a comprehensive assessment of the issues that underpin English sub-national governance. It also refers to, considers and compares proposals put forward by other recent reports, offering a rigorous and balanced analysis that combines academic and policy insights on how to make devolution succeed. The report concentrates, for the most part, on institutional reforms – seeing these as a prerequisite to successful devolution.
2. **A New Britain: Renewing our Democracy and Rebuilding our Economy**. Report of the Commission on the UK’s Future led by Gordon Brown (Labour Party, 2022). This work captures the latest thinking on the devolution agenda by the Labour Party, offering an in-depth assessment of the issues at stake and setting out a vision for a New Britain founded on a new relationship between government, communities, and the people. In line with previous experiences within the party, the case made concentrates on the need to rebalance the economy and presents devolution reforms as key to achieve this.

3. **Take Back Control Bill briefing** (Society of Labour Lawyers' Constitution Group and Denham, 2023). This is a short paper directed to Labour's shadow Housing and Levelling Up Team, which offers a sharp assessment and focuses on 'what needs to and can be done' in practice by an incoming government to achieve a lasting devolution settlement.
4. **A Good Life in All Regions** (Raikes and Cooper, 2023), **Equality and Empowerment** (Raikes, 2023) and **Plans for Power** (Harrop, 2023). Together, these three publications by the Fabian Society set out a progressive case for devolution, with a particular focus on local economic development and social justice spending, and fiscal devolution.
5. **A Labour Vision for Community Power: Participation, Prevention and Devolution** (Comer-Schwartz et al, 2023). This report by New Local was co-produced with local leaders across the country, setting an ambitious agenda for action to redistribute power out of Westminster, with a distinctive focus on 'community power'. The report offers a fresh and original take on how to make devolution happen.

First, we have analysed these proposals according to three themes: power, money, and governance and culture. These are the most prominent, recurring 'issues' that emerge from a review of reports and literature on devolution produced over the past five years. They are borrowed from the OECD's (2019) framing.

Second, we have developed a set of criteria that allow us to gauge the extent to which the proposals in the five reports selected are devolutionary and implementable by an incoming government.

We devised the criteria based on: i) OECD benchmarks, referring in particular to work on 'Making Devolution Happen' (OECD, 2019); ii) the Regional Authority Index (RAI) developed by Arjun Shakel (2018) and iii) the EU self-rule index for local authorities (Ladner, Keuffer and Bastianen, 2021), which, combined, allow us to assess the depth and reach of the devolution reforms proposed.

The OECD sets out guidelines for action rather than evaluative criteria as such, but the guidelines have clear synergies with the regional and local criteria. In adapting them to our core question "to what extent are these proposals devolutionary", we also point to issues they tend to neglect – or address only indirectly – around changes in political culture that would be required to radicalise devolution in England. The fourteen criteria that have emerged from this process are summarised below:

### **Legal-Political Powers**

1. Does the proposal enhance institutional depth, by conferring additional (funded or fundable) competences upon a lower tier, e.g., national to region, region to local, local to neighbourhood?
2. Does it further empower a lower tier to make policy with respect to



competences within its jurisdiction, or give a lower tier more power within a shared/complex policy jurisdiction?

3. Does it include a subsidiarity principle for example by conferring new legal/constitutional protections or rights on a sub-national tier?
4. With respect to local government, does the proposal address the retreat from a wide spectrum of discretionary services towards increasingly narrow statutory service provision since 2010?

### **Financial Empowerment**

5. Does the proposal confer new powers on a lower tier to raise revenues by such means as it deems appropriate?
6. Are conditionalities applying to transfers from a higher to a lower tier reduced?
7. Does the proposal confer additional freedom to borrow on a lower tier?
8. How credibly does the proposal address the criterion of fundability for devolved functions (e.g., through equalisation or plausible prospects for a developmental dividend).

### **Governance and Administration**

9. Does the proposal empower a lower tier to establish the principles according to which it is elected, governed and managed?
10. Does the proposal identify ways of enriching public participation/ democracy at a lower tier?
11. Does it facilitate collaborative central-subnational relations, for example by opening access for lower tiers to higher-tier decision making entities or influential bodies such as the House of Lords or creating new mechanisms to share decision-making about equalisation or borrowing?
12. Does the proposal enhance the power of lower tiers to develop and resource collaborative or multi-level governance arrangements (e.g., combined authorities, state-civil society partnerships)?

### **Political Culture**

13. Does the proposal address the sub-national “dependency culture” arising from England’s (UK’s) centralised political tradition, what Copus, Roberts and Wall (2017, p. 180) call municipal “Stockholm syndrome”?
14. Does it address the correlated culture of “control-freakery” or “elite contempt” for sub-national authorities in Westminster/Whitehall, and provide for non-interference (Stewart, 2000, p. 95)?

It should be noted that there are subtleties and ambiguities that make it difficult to adjudicate with certainty on devolutionary potential. For example, the OECD simultaneously advocates a full range of financial autonomies and recognises the need to secure fundability, including equalisation.

Hence, if a proposal did not attend to fundability, or appeared to devolve responsibilities without identifying commensurate resources, we would then need to ask whether a credible case was made that an unfunded devolutionary measure could enable the entity in question to enhance its revenue base, thereby increasing its substantive financial autonomy, and if so, over what time scale. Otherwise, devolution risks becoming synonymous with retrenchment and loses credibility.

Third, we assessed the proposals against these criteria and followed the OECD in distinguishing political, financial and administrative reforms. We further distinguish political culture, an oft-neglected issue in previous proposals for reform.

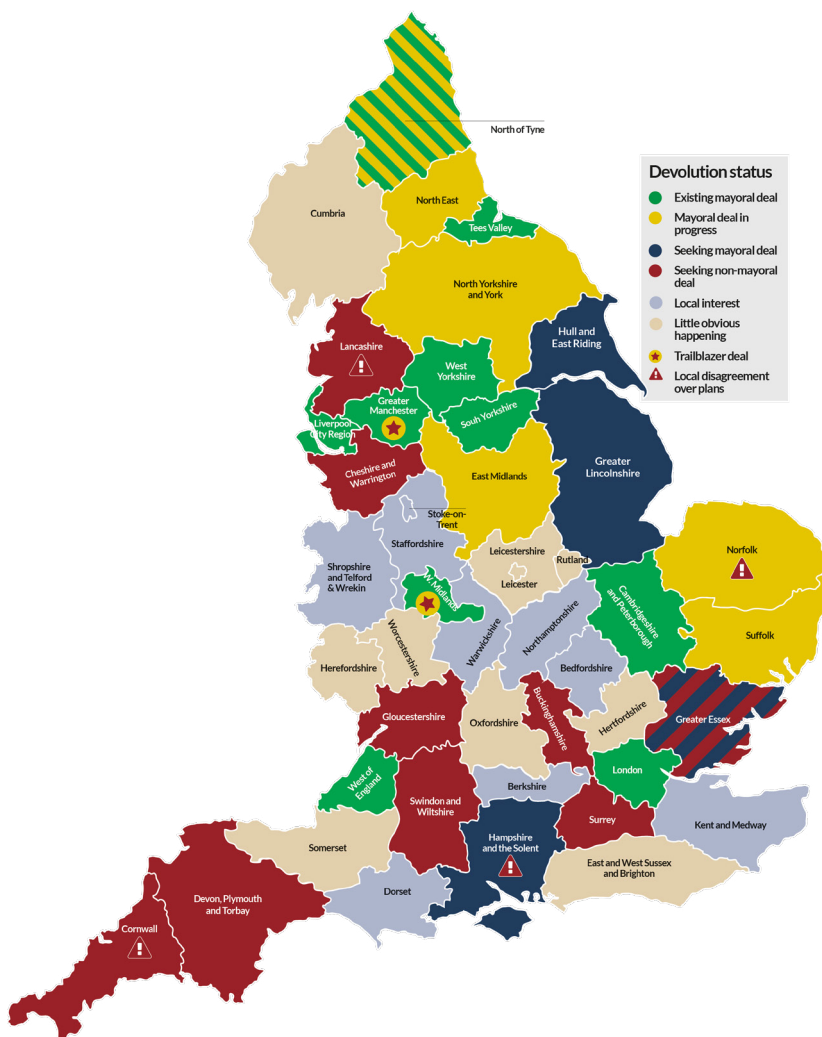
Finally, we have sought to evaluate the likelihood of implementation of the proposals by an incoming government within 2 terms. Since the studies we drew on to develop our criteria do not cover the implementation question in depth, we rely on wider knowledge of policy processes and policy implementation literatures (e.g., Sabatier and Mazmanian, 1979) and established the following principles for our evaluation:

- **Commitment:** Degree of cross-party, central-local and public/stakeholder assent for the proposal
- **Complexity:** capacity for the multi-scalar system to deliver the proposal competently within the specified two-term (10 year) timeframe
- **Controversy:** vulnerability to politicisation/wedge issue politics (e.g. ULEZ, 15-min city)
- **Finance:** Costs (and benefits) to be incurred by rolling out the proposal, and evidence of commitment to meeting them
- **Flexibility:** capacity for the proposal to be piloted, phased and revised

Drawing on this framework, we develop a thematic analysis of the reports selected, and rank them against our criteria, before moving on to consider deliverability within a two-term window. We also make links with a survey of council leaders conducted by Unlock Democracy in parallel with our study (attached at Appendix 1), which reinforces the devolutionary messages emerging from the selected reports.

# A Thematic Analysis of Five Devolution Proposals

In the current context, English devolution resembles a patchwork of ad hoc deals that cover only some parts of the country and do not benefit all people and places. The rules are still determined by a central government wielding control over power, resources and development. The result is a convoluted governance landscape (see Fig.1), which is difficult to ‘govern’, tends to deliver varied outcomes intra- and inter-regionally, and is open to political controversy. If, as the OECD (2019, pp. 9-10) maintains, “the way decentralisation is designed and implemented has a major impact on its associated [political, democratic and economic] outcomes” and “central governments are responsible for the framework conditions that will determine how decentralisation systems operate”, the approach adopted by the UK central government for England is clearly not working.



Source: Local Government Chronicle, Devolution Map (updated June 2023). Available, with a full discussion of each deal, at: <https://www.lgcplus.com/politics/devolution-and-economic-growth/devolution-map-where-are-deals-progressing-03-07-2023/>

Based on the proposals we have reviewed and literature on English devolution, we identify three recurring themes that help explain the problem and what has been done (or not) so far: power, money, and governance and, as a subset of governance, political culture. We have used these themes to structure our analysis of the proposals. At the end of each section, we provide tables summarising the five proposals, set against the fourteen devolutionary criteria.

## Power

Devolving real power from the centre is the backbone of any successful devolution plan: the challenge of “letting go”. In the case of England, this is a key issue, as the power-hoarding and centralising nature of the Westminster system runs counter to the idea of transferring any meaningful authority to the sub-national level, without conditionalities and oversight.

As Richards and Smith (2016) note, there is an in-built flaw linked, at a structural level, to two of the key principles of the Westminster model. First, by locating full authority in the House of Commons and in particular in the executive, parliamentary sovereignty makes a formal constitutional devolution settlement impossible in England in the foreseeable future.

This means that in practice, devolution would have to become “constitutionalised” through precedent, custom and practice. Unlike the other UK nations where political devolution has allowed the creation of alternative sources of parliamentary authority capable of challenging Westminster, and which now seem irreversible, England lacks a similar competing narrative (Richards and Smith, 2016; Kenny, 2014). Such top-down arrangements make local bodies inherently dependent on the centre (Barnett, Giovannini and Griggs, 2021). At the same time, they create a political class that is staunchly committed to preserving the status quo, rather than altering it by relinquishing power (Richards and Smith, 2016).

Second, the *unwritten and flexible* constitution of the UK reinforces these processes, as it essentially allows the government of the day to determine the nature, rules, and processes underpinning devolution (or, indeed, any reform) (Richards and Smith, 2016).

The result is a system of government that cannot let go of power, and instinctively conceives of sub-national governance bodies as inferior and subordinated (Barnett, Giovannini and Griggs, 2021; Davies, 2000; 2002).

Thus, the main assumption is that ‘Westminster and Whitehall know best’ and that local institutions cannot be fully trusted with managing their own affairs without oversight. This approach is hardwired into the governance of England and is reflected in the high degree of power

exercised by key departments (in particular the Treasury, through the system of disaggregated departmental governance) – which, in practice, allows central government to claw back control.

Against this background, it comes as little surprise that the process of devolution in England has been marked by a distinct lack of autonomy and lacks any principle of subsidiarity that would allow decisions to be taken at the lowest possible level or closest to where they will have the best effect.

In the current context, the powers passed to Combined Authorities are set by the centre and could in principle be recalled at any time. This model provides, at best, for functional, conditional decentralisation.

Thus, if devolution is to succeed in England, addressing these in-built flaws in a coherent and irreversible way must be the priority of any future government. Indeed, this is an issue that is tackled in all the proposals. All five recommend the devolution of some power and functions to sub-national scales, but they focus on different levels and set different priorities.

With respect to our criteria on power, it should be noted that each paper offers a specific take (See Table 1 for details).

The Bennett and IfG report recognises the importance of enhancing institutional depth by conferring more powers on localities. However, from their perspective, changes in existing structures of government, institutional frameworks and centre-local relations are a precondition to achieve this, and to make devolution flourish and ‘stick’.

Accordingly, they do not focus in detail on what powers should be devolved in which areas by what means. Subsidiarity is not explicitly discussed, but the report calls for an ‘English Governance Act’, which would gather together and codify existing legislation on England’s local and regional government structures, thus providing a safeguard for their autonomy.

The other proposals focus more openly on questions of power distribution. The Commission on the UK’s Future recommends that a range of national competencies should be permanently transferred to metro mayoralities, Combined Authorities or local councils. These include powers over skills, employment support, housing, and transport infrastructure and the establishment of a UK-wide ‘independent advisory council’.

The Commission also advances the principle of subsidiarity and the need to establish constitutional rights for sub-national tiers of government. Significantly, it proposes that the reformed second chamber, the Assembly of the Nations and Regions, be given responsibility for safeguarding devolution, thereby contributing to its

constitutional entrenchment.

Furthermore, the Commission resurrects the idea of “double devolution”, but it is unclear what this means, and whether it should be codified in some way and driven from the centre or the locality.

The experience of New Labour reminds us that double devolution is not inherently devolutionary (Davies, 2008).

The same is true of the idea for mandatory economic growth plans that would help unlock a local area’s potential. Such proposals might well have merit on their own terms, but it is not clear that they are necessarily devolutionary in the sense of empowering sub-national tiers to make their own decisions, as some imply continued central government supervision.

On the same issues, the Take Back Control Briefing has a distinct focus on changing the relationship between central and local government, from a supervisory to a cooperative one.

It stresses the need to give sub-national governance bodies defined rights, duties and powers that cannot easily be removed at the whim of the government of the day – suggesting that protecting constitutional autonomy would be key to achieving this.

Like the Brown Commission, they propose the introduction of a ‘legal duty of subsidiarity’, thus providing another protection mechanism for local autonomy, which is currently missing. Through these tools local authorities would have enhanced powers to shape the future of their areas, either by working individually or teaming up to meet the needs of wider geographies.

Additionally, local bodies would have a role in shaping government policy and become partners with the centre in developing English devolution.

Finally, the Briefing takes a pragmatic approach to devolution structures, and suggests that existing devolution arrangements (such as Combined Authorities and Mayors) should be kept, consolidated, simplified and enhanced, where there is willingness/capacity.

The Fabian Society proposals also support significant devolution measures. They argue that local and regional tiers should be the ‘ring-masters’, with the power to steer public service priorities through collaborative governance, a principle to be enshrined in law. It is recommended that by the end of the 2025-30 parliament, powers relating to transport, skills, innovation, housing, energy efficiency and employment support should be devolved to sub-national authorities across England.

Their proposals for fiscal devolution in England are focused mainly on

devolved local economic development functions, the right to raise local taxes, and how LED and poverty alleviation are funded (see further analysis in the “Money” section).

The New Local Report also acknowledges the need to entrench local autonomy. They put special emphasis on ‘community power’, but also recognise that empowering local government is key to putting this into practice.

Thus, it suggests introducing legislation enhancing power and funding for local government, with a view to redirecting these, once achieved, towards local communities.

Accordingly, the report sets subsidiarity as the key guiding principle for a new truly bottom-up devolution settlement.

In sum, on issues of power, the New Local report provides the clearest roadmap for rewiring centre-local relations, by enhancing local agency as well as a universal, formal devolution settlement legislated from the centre.

**Table 1 - Power:**

Does the proposal enhance institutional depth, by conferring additional (funded or fundable) competences upon a lower tier, e.g., national to region, region to local, local to neighbourhood?
<b>Bennett and IfG:</b> Not explicitly. Recognises the need for more devolution but focuses on changes in government structures/ institutional framework and relations between different tiers of government.
<b>Commission on the UK’s Future:</b> Yes, mainly by devolving responsibility for a range of national competences to the regional or local levels.
<b>Take Back Control Briefing:</b> Yes, focus on: entrenched constitutional autonomy; ‘legal duty of subsidiarity’; consolidating, simplifying and enhancing existing devolution arrangements.
<b>Fabian Society:</b> Yes. With a special focus on LED and poverty alleviation.
<b>New Local:</b> Yes. Focus on creating legislation that can set/protect enhanced powers and funding for Local Government.

Does it further empower a lower tier to make policy with respect to competences within its jurisdiction, or give a lower tier more power within a shared/complex policy jurisdiction?
<b>Bennett and IfG:</b> Not explicitly, as the focus is on structures. Core idea: reform of institutional frameworks is a prerequisite to successful devolution.
<b>Commission on the UK's Future:</b> Yes – some proposals for devolved powers.
<b>Take Back Control Briefing:</b> Explicitly says focus is not on setting what powers should be devolved. But endorses the Brown Commission's recommendations; it explicitly suggests that local and community empowerment plans should be statutory and judicial, through a 'legal duty of subsidiarity' (see below).
<b>Fabian Society:</b> Yes – LED and poverty alleviation.
<b>New Local:</b> Yes, focus on devolution of power and funding to local government, with a view to redirect these towards communities.

Does it include a subsidiarity principle for example by conferring new legal/constitutional protections or rights on a sub-national tier?
<b>Bennett and IfG:</b> Not explicitly, but calls for an English Governance Act, which would gather together and codify the existing legislation on England's local and regional government.
<b>Commission on the UK's Future:</b> Yes, explicitly referenced. Subsidiarity is part of the discourse along with constitutional rights for sub-national tiers. However, it is not clear how "constitutionalisation" would occur.
<b>Take Back Control Briefing:</b> Yes, focus on 'legal duty of subsidiarity'; legal protection for devolved powers; and entrenching new 'division of power' between central and devolved institutions.
<b>Fabian Society:</b> No: they do not cover constitutional rights for sub-national tiers or discuss the subsidiarity principle.
<b>New Local:</b> Yes, sets subsidiarity – all the way down to local communities – as key principle for a new devolution settlement.



**With respect to local government, does the proposal address the retreat from a wide spectrum of discretionary services towards increasingly narrow statutory service provision since 2010?**

**Bennett and IfG:** Not explicitly.

**Commission on the UK's Future:** No. Austerity is mentioned, but aside from the focus on growth, no remedies are proposed.

**Take Back Control Briefing:** Not explicitly.

**Fabian Society:** These issues are dealt with elsewhere. See “Going Public: The Left’s New Direction for Public Services, Public Service Futures”.

**New Local:** Yes, presents this as a key issue and highlights the need to overturn the current system to enable ‘community power’.

## Money

The OECD (2019) emphasises that, together with power, resourcing is a central pillar of any devolution settlement, in that it must either be demonstrably funded, or fundable either through transfers or income generated at scale. It observes a common tendency for devolved mandates to be underfunded.

The negative impact of this approach is documented in recent research, showing that the presence of ‘unfunded mandates’ can undermine the effectiveness and benefits of devolution (Rodriguez-Pose and Vidal-Bover, 2022). This is a persistent and systemic issue in the English context, where devolution has occurred in tandem with draconian austerity (Davies et al, 2020).

Recent changes to funding arrangements, the impact of austerity and burgeoning financial crises in English local government (Barnett, Giovannini and Griggs, 2021; APSE, 2021; Institute for Fiscal Studies, 2023; NAO, 2023), including the issuance of several Section 114 bankruptcy notices, mean that fundability is of critical importance to the credibility and effectiveness of devolutionary arrangements.

So too, therefore, is equalisation – needs-based funding. Localism under austerity became known colloquially as “devolving the axe”. Research found that the poorer a local authority area, the more adversely it was affected by austerity, accelerating spatial inequalities that “levelling up” is now charged with mitigating (Hastings et al, 2017).

Many local authorities reported cuts of up to 40% in their overall public service spending, most of which have fallen on discretionary spending (Barnett, Giovannini and Griggs, 2021; Davies et al, 2020; Gray and Barford, 2018). English local government is increasingly limited to statutory public service provision, with little remaining in the way of

discretionary services in many parts of the country (APSE, 2021).

The Devolution Deals set in place since 2014 do little in the way of addressing the problem of local government finance. While offering alternative sources of funding, these are still limited, allocated on a competitive basis, and tightly controlled from the centre (Pike, 2023; Giovannini, 2018). If it is clear that local government finance has been incrementally reduced over time, leaving some authorities on the brink of collapse (Barnett, Giovannini and Griggs, 2021), the form of decentralisation developed so far in England is also based on a mismatch between the powers transferred to Combined Authorities and the resources allocated to them (Rodriguez-Pose and Vidal-Bover, 2022).

The five proposals recognise that the crisis of local government finance must be resolved, but the attention they give to devolved funding arrangements varies considerably (see Table 2).

The most commonly held principle is the call for an end to short-termism, the need for stable, predictable funding (e.g. 3-5 year cycles) and removing competition between places over scarce funding pots, through consolidation and needs-based allocation (equalisation).

New local tax-raising powers are recognised as very important, but none of the five proposals directly addresses the question of additional borrowing powers. Indeed, borrowing is one area in which the local leaders survey commissioned by Unlock Democracy demonstrated ambivalence about the desirability of further devolution (see Appendix 1).

By taking a distinctively local perspective, the New Local report addresses the crises of public services and proposes a new system of relationships that widens the discretion of the local level and allows mayors, councils and communities to take decisions on matters that affect their areas. It does this by fully embracing subsidiarity, insisting that institutions operating at different levels should have direct power for the policy areas that are best addressed by each level.

New Local also proposes a strategy to change the funding of local government based on two phases. In the short term, they suggest the creation of more stable, predictable funding (based on 3-5 year cycles) and the removal of competition between places for funding pots. In the longer term, they suggest options for fiscal devolution to allow localities to retain a greater share of the tax they generate, including devolving a proportion of existing national taxation, such as income tax, set within a national framework and a robust system of equalisation.

In this way, the report emphasises the importance of 'funded mandates', arguing that devolution is not just about passing down powers but also an appropriate level of funding to match them.

In addition, New Local suggests revising, updating and adopting the Total Place approach originally initiated by New Labour but abruptly cancelled by the Coalition in 2010, arguing this would help put the system of public services on a sustainable footing and help mitigate the damage created by austerity.

Suggested Total Place measures include greater flexibility for pooling public service budgets and joint planning to underpin collaboration and share the risks of upfront investment. This is an element that overlaps Money, and Governance and Culture, as the proposed changes in funding require also changes in governance structures and culture.

The Fabian Society proposals also discuss the need for stable medium-term funding settlements over three years, and to revive place-based budgeting.

The main foci of their fiscal devolution proposal are economic development and inequality, recommending the establishment of a core Local Economic Development (LED) pot, a 30 year investment fund targeting poverty, and the devolution of power to create local taxes – targeted levies to unlock development potential.

The investment fund would consolidate existing regeneration/levelling up funds, eliminate nugatory competition and allocate according to need. The levies would cover tourism or hotel taxes; higher council tax on second homes and empty homes; workplace parking levies; road pricing, low emission and congestion charges; business rate premiums and land value capture schemes.

The Fabian Society argues that any new system should only proceed in parallel with a fair national equalisation system. The proposal is to abandon business rate retention, viewed as iniquitous, to be replaced by the devolved national LED pot.

This would involve a significant degree of redistribution, minimum floor spending, local government (ideally) co-negotiating the distribution formula, and relatively light touch accountability.

The Fabian Society recommends that this formula should be produced through a statutory consultation process, thus building in a form of collaboration between national and local levels that is currently missing.

The Unlock Democracy Council Leaders' Survey demonstrated considerable support for the idea - resources permitting - of widening the scope of discretionary services.

While New Local addresses this question, the residualisation of non-social care discretionary functions is not directly tackled by the other proposals. However, they assume – like the OECD – that the requisite

mix of devolution and equalisation could have spatial “levelling” effects. The Fabian Society, as one would expect, argues for counter-cyclical rather than pro-cyclical spending settlements.

The Bennett and IfG report acknowledges the negative impact of persistent local government underfunding, but focuses primarily on reforms of governance structures and does not directly tackle this issue.

The Take Back Control Briefing acknowledges the need to tackle persisting inequalities between and within England’s regions through a fairer distribution of resources and longer term funding cycles.

However, the paper recognises the complexity of creating a new formula and suggests this will require a dedicated ‘Fair Funding Bill’. Crucially, it highlights that local government should be directly involved in setting the new formula, as local leaders better understand the issue of funding on the ground.

In their view, the fair funding formula should encompass a variety of different sources of revenue and capital. The briefing also argues for the devolution of statutory responsibility for accounting, currently invested nationally in the civil service, to appropriate officers at the local scale (local authorities or combined authorities).

The Brown Commission, finally, recognises the need for fiscal devolution to the extent that it is compatible with equalisation, but does not make specific recommendations as to how this might be done.

It argues that further devolution should be done carefully, and with the consent/advocacy of local areas. It advocates 3-year financial settlements, block grants in place of competitive funding, and 5-year guarantees for transport and infrastructure funding. Upscale, it is recommended that entities such as the British Business Bank and UK Infrastructure Bank are given responsibility for driving regional equity.

**Table 2 - Money:**

<b>Does the proposal confer new powers on a lower tier to raise revenues by such means as it deems appropriate?</b>
<b>Bennett and IfG:</b> Not explicitly – focus is on institutions more than on specific details of devolved power.
<b>Commission on the UK’s Future:</b> No – overlooks this whole question. The initial priority is to eliminate nugatory competition and provide greater clarity through a 3-5 year funding cycle.

<b>Take Back Control Briefing:</b> Acknowledges need to tackle persisting regional inequalities through a fair distribution of resources; also see a dedicated 'fair funding bill' as necessary to achieve this.
<b>Fabian Society:</b> Yes. Recommend new 'targeted levies' to unlock development.
<b>New Local:</b> Yes, in 2 stages. Short term: focus on stable, predictable funding (3/5 year cycles) and removing competition between places over funding pots. Long term: fiscal devolution.

<b>Are conditionalities applying to transfers from a higher to a lower tier reduced?</b>
<b>Bennett and IfG:</b> Not explicitly, but creation of new bodies (see below) would aim at improving accountability and 'deepening' devolution at local level.
<b>Commission on the UK's Future:</b> Not applicable.
<b>Take Back Control Briefing:</b> Yes, new mechanisms for accountability and scrutiny are outlined.
<b>Fabian Society:</b> Yes. In general, seek to uphold accountability through relatively light-touch mechanisms rather than direct oversight.
<b>New Local:</b> Yes, focus on enhancing local democracy by creating greater local accountability to communities over taxation generated by them and in their areas.

<b>Does the proposal confer additional freedom to borrow on a lower tier?</b>
<b>Bennett and IfG:</b> No.
<b>Commission on the UK's Future:</b> No.
<b>Take Back Control Briefing:</b> No.
<b>Fabian Society:</b> No.
<b>New Local:</b> No.

<b>How credibly does the proposal address the criterion of fundability for devolved functions (e.g., through equalisation or plausible prospects for a developmental dividend).</b>
<b>Bennett and IfG:</b> Does not explicitly address the issue.
<b>Commission on the UK's Future:</b> It does not directly address this issue except the assumption that funding follows devolved functions. To the extent that it addresses financing directly, it is through process-engineering, e.g. three year settlements.
<b>Take Back Control Briefing:</b> Suggests that funding should be long term and local government should be directly involved in setting new funding formulas. Also highlights that a fair funding formula should encompass a variety of different sources of revenue and capital grant.
<b>Fabian Society:</b> Fundability and equalisation in LED both addressed. Two financial settlements proposed: 'core' functions of devolved economic development and 30-year investment fund to address poverty. Plus additional localised levies.
<b>New Local:</b> Fundability and equalisation are addressed (see first box above).

**Governance and Culture**

The question of governing English devolution is deeply entangled with that of political culture. The recent history of the debate, and attempts to move it forward, are coloured first by the New Labour experience and latterly after 2010 by the period of Coalition and then Conservative government.

Talk of partnership, excessive centralisation, and the need to restore local government emerged against the backdrop of battles between the Thatcher government and municipal socialists in the 1980s, after which local government was significantly weakened (Barnett, Giovannini and Griggs, 2021; Davies, 2011).

The increasingly popular idea of reviving it, however, was belied – if not contradicted – first by the “control-freakery” of the New Labour years (Wilson, 2003), and then the austerity of the Coalition and Conservative mandates.

In the first instance, Local Government was treated more than anything as an instrument of national government policy for public service reform (Barnett, Giovannini and Griggs, 2021).

In the second instance, the Localism Act (2011) was enacted in parallel with draconian cuts to local authority finances, which severely depleted public service capabilities, particularly in the non-statutory arena

(APSE, 2021; Barnett, Giovannini and Griggs, 2021), and led to today's financial crisis. In quite different ways, successive governments treated local authorities as instruments of their wider goals and as largely dispensable (perhaps except where blame was to be apportioned).

As the TBCB briefing reminds us, the grip of the Treasury, exercised through Departmental Accounting Offices remains a major structural impediment to devolution, as it has been for decades.

However, the historic unwillingness or inability to address it derives from a trait in UK politics that produces well documented behaviours on both sides of the central-local divide. The late John Stewart captured this in pointing to the longstanding "elite contempt" for local government in Westminster and Whitehall, dating back to the 19th century (2000, p. 95). Promising to "let go", in this respect, has been akin to serially resolving to quit an addiction. In his review of the future and funding of local government, Sir Michael Lyons commented (2007, p. i):

*No one should underestimate the sustained effort which will be required to achieve a real shift in the balance of influence between centre and locality. The history of the last 30 years is marked by a series of well-intentioned devolution initiatives, which have often evolved into subtle instruments of control. But it is an effort worth making.*

Approaching 20 years later, the centralising instinct is still strong in government. In July 2023, for example, Lee Rowley MP, Parliamentary Under Secretary of State at the Department for Levelling Up, Housing and Communities ordered South Cambs District Council to abandon a forward-looking 4-day working week experiment. The Westminster impulse to decide what local government does, and how it does it, lives on.

However, culture cuts both ways, and the centralising impulse from the top has been matched with what Copus, Roberts and Wall (2017: 180) called municipal "Stockholm syndrome" at the bottom.

There is remarkably little evidence, for example, of local authorities asserting their rights under the (2011) Power of General Competence, something South Cambs could arguably invoke. Nor is there much evidence of community rights set out in the Localism Act being activated. Accordingly, as Lyons (2007, p. ii) also observed, there is a "pressing need to inspire a sense of powerfulness in local government", such that it is willing to use and test the powers it does have at its disposal, even at the expense of upsetting Ministers.

The capacity to diverge from central priorities is arguably the acid test of devolution. Some of the newly established metro mayors, especially Labour ones in the North of England, have begun to assert their

agency against the centralising instincts of Westminster and Whitehall (Giovannini, 2021a; Giovannini, 2021b). Yet, the many strings attached to devolution deals still provide a powerful tool of top-down control (Tomaney, 2016; Giovannini, 2018).

The extent to which reforms proposed in the five proposals would themselves stimulate a culture-shift from the bottom-up, whilst depriving the centre of its ability to act on its control reflex, remains to be seen. Recent instances of combined authority mayors clashing with ministers, like Andy Burnham during COVID, suggests that although Manchester did not “win”, a culture-shift could be hovering into view, provided the necessary shift in power and control occurs in tandem (Giovannini, 2021b).

The spate of devolution deals since the establishment of the Greater Manchester metro-mayorality in 2014 signifies progress, but this must be seen within the context of an overall weakening of local government, particularly its public service function, and the need to radicalise the culture-shift.

These cultural issues are integral to the question of how to do devolution, and they further highlight a key question. Should devolution proceed according to a contractual design favoured (if not imposed) by central government, like the mayoral Combined Authority, or by delegating powers to whatever local institutional configuration happens to exist, and regardless of whether specific localities/publics want devolution (we call this the devolution-by-design vs devolve-and-be-damned dilemma).

However, the matter need not necessarily be seen in binary terms.

Both the Brown and Fabian proposals recommend that localities be empowered to request further powers. Brown proposes a further power for localities to be able to take new powers from the centre, through a streamlined process for initiating local legislation in Parliament. A national convention could be organised to set out a roadmap for the next 5-10 years, a suggestion to which the proposals gesture more-or-less inclusively in ideas for enhancing cooperation between central and local government.

Devolution is also conceived as part of the solution to the crisis of governance, in the sense of potentially mitigating both the drift towards national state authoritarianism and public disenchantment with democracy (Richards et al, 2023).

There are many plausible explanations for this crisis, including the sense that politicians cannot deliver, are impotent in the face of events, or that politics has diminishing leverage over a runaway world devastated by pandemic, economic stagnation, climate emergency and war.



However, as Power argued in her 2006 inquiry into the burgeoning democratic deficit, part of the explanation may also lie on the cultural side of democratic governance. She argued, for example, that “Principle and ideas seem to have been replaced with managerialism and public relations. It is as though Proctor and Gamble or Abbey National are running the country” (Power Inquiry, 2006, p. 9).

Thus, while devolution brings government closer to the people, there is a risk that if it is overly focused on economic development, or other narrowly instrumental goals, and neglects the full repertoire of public goods and reasons to engage in politics, it could even compound this sense of alienation.

The government’s preferred metro-mayoral model is a major democratic gamble, undertaken by arguably undemocratic means, and against traditional forms of political identification with place (Williams, 2023; Sandford, 2022).

In this context, whilst also noting the inevitable struggle among interests for a place on an incoming government’s crowded agenda, we see the New Local report as potentially the most innovative. The focus is on ‘community power’ with a recognition that to achieve this, it is necessary to a) (re)empower the local level; b) change the devolution process, to make it deeper and wider (including power and resources); and c) reform centre-local relations.

As previously highlighted, subsidiarity is presented as a key guiding principle. Furthermore, the use of participatory democracy tools are seen as pivotal to making reforms stick and engaging citizens in decision-making processes that affect their areas.

In sum, the New Local report proposes a wide range of reforms that could be achieved within a 2030 timescale – but it also provides practical ideas about how to phase reforms and make them ‘doable’ (see tables 3 and 4).

The Fabian Society is pragmatic in terms of timeline, but nevertheless the outcome would be radical compared with the status quo. While arguing that it is possible to devolve further powers by 2030, such as the power to set local levies, they also see the first five-year term as being about capacity building and aim to universalise the “trailblazer” approach to devolution in that time frame, whilst recognising that the metro-mayoral model cannot be imposed and is not the only desirable approach.

This recognition is very important given the complex political geographies of areas yet to be given comprehensive devolution deals. A second term would deliver the full devolution proposals in local economic development and the 30 year investment fund to fight

poverty (see tables 3 and 4).

The Bennett Institute and IfG report focuses primarily on changes to the institutional framework within which English governance should be reformed to create an enabling infrastructure for devolution. The rationale is to leave behind decades of institutional and policy churn and allow devolution to take root.

It makes four proposals: 1) establishment of a new independent commission examining in depth how England is currently governed; 2) introduction of an English Governance Act, which would gather together and codify the existing legislation on England's local and regional government structures; 3) establishment of an English Devolution Council to represent local government in the heart of the UK government; 4) creation of an England Office within the structures of central government and an England-focused cabinet committee.

The report urges that proposals should be accepted by politicians across party lines and act as a bulwark against instability so as to create the conditions in which a more transparent and coherent system of governance could be rebuilt (see tables 3 and 4).

The Brown Commission proposals for a single five-year term are similar in many ways, focusing on reforming the architecture of central-local relations. The recommendations would empower local/regional leaders in several new or reformed national bodies, including a reformed House of Lords, the proposed Assembly of the Nations and Regions, and the creation of a special pathway for localities/regions to initiate legislation.

The Commission is radical in suggesting that the great cities of England have the potential to exercise similar powers to the devolved parliaments but contains no specific proposals to this effect, also leaving open the question of how to expand the policy beyond metropolitan areas.

It argues that devolution in England should be built from the bottom up, responding to local demand, accepting that this could lead to divergence away from the combined authority and mayoral model, and take longer.

Beyond this, it makes a wide range of proposals, discussed earlier, for building central-local partnership mechanisms, most significantly the Assembly of the Nations and Regions to replace the House of Lords.

The Take Back Control Briefing's focus is on enabling a transition away from reform of local government, towards creating devolved government in England, with a clear target on how the Take Back Control Bill (TBCB), endorsed by Labour, should do this.

Namely, it suggests ways to: 1) consolidate and simplify the devolution

arrangements in England; 2) enhance those arrangements; 3) protect the rights and powers of devolved and local government in England, by embedding their ‘constitutional autonomy’ – so that central government cannot readily take back, alter or impose unilaterally any devolution measure, or interfere with explicitly local affairs.

It makes further suggestions on how the powers of local authorities should be reflected in the TBCB, and how the TBCB might set out both the aim of closing the gaps within England, as well as provide for a formula for the distribution of resources to ensure that this can happen. Crucially, the TBCB recognises the reform of financial accountability at the centre as imperative for successful devolution.

To this end, it recommends that responsibility be devolved to Local Accounting Officers. The focus is not on the detail of which powers are settled at which level, but instead on the relationship between different levels of subnational and national government.

For example, the Briefing proposes a new statutory public audit office for local authorities and Combined Authorities with intervention powers. It recommends a central-local consultation process to establish minimum standards for local scrutiny and set principles for the operation of local government, including standards of conduct in public life, transparency and openness to scrutiny by public and media. In this respect, seeking to reform the infrastructures and institutions of central-local relations as the platform for devolution, the Bennett and IfG report, the Commission on the UK’s Future and the TBC Briefing have considerable similarities (see tables 3 and 4).

**Table 3 - Governance:**

Does the proposal empower a lower tier to establish the principles according to which it is elected, governed and managed?
<p><b>Bennett and IfG:</b> No. Focus on creation of an Independent Commission on English Governance to: 1) examine existing/new devolution deals and their powers, funding, institutional design and territorial settlements; ii) test public attitudes to different devolution models.</p>
<p><b>Commission on the UK’s Future:</b> No. It seems wedded to the current approach. Double devolution is viewed from a national perspective, rather than as something that lies within the purview of the local level.</p>

**Take Back Control Briefing:** Yes. Local authorities should have, by right, enhanced powers to shape their areas, create larger bodies to meet needs of wider geographies, and gain new powers and resources. Constitutional focus should be to empower 'upper tier' unitary, county and borough councils.

**Fabian Society:** Doesn't address this, except by recognising there are legitimate pathways beyond the metro-mayoral model.

**New Local:** Yes. Focus on adoption of 'flexible approach' with inputs from local communities over the type/depth/pace of devolution settlement deemed appropriate for each area (final goal is for all areas across England to have a devolution deal).

**Does the proposal identify ways of enriching public participation/ democracy at a lower tier?**

**Bennett and IfG:** Yes, but in a general way. Acknowledges the need to widen public participation on devolution 'choices', but does not provide details on how to achieve this, or make this a 'common practice' at subnational level.

**Commission on the UK's Future:** Yes, but in ways that are not inherently devolutionary as forms of central control seem to be inscribed in new models proposed (e.g. double devolution).

**Take Back Control Briefing:** Emphasises that power should go down all the way to community level, and that the public needs to be more involved in devolution debates/processes, but does not set a clear/ specific way on how to achieve this.

**Fabian Society:** Recommends the establishment of metro-aligned LSPs. Not inherently devolutionary or democratic?

**New Local:** Yes. Recommends the introduction of participatory democracy tools to enhance the relationship between local government and communities, and bring decision-making closer to the people.

**Does it facilitate collaborative central-subnational relations, for example by opening access for lower tiers to higher-tier decision making or influential entities such as the House of Lords or creating new mechanisms to share decision-making about equalisation or borrowing?**

<p><b>Bennett and IfG:</b> Yes. This is the main focus. Suggest creating new means of connection and collaboration between local and national tiers of government through establishment of an English Devolution Council to represent local government at the centre; an England Office; and an England-focused cabinet committee.</p>
<p><b>Commission on the UK's Future:</b> Yes. It proposes a number of institutional innovations to create a collaborative culture, e.g. Assembly of Nations and Regions as new second chamber. These are more about empowering localities/regions at national scale than devolving power as such.</p>
<p><b>Take Back Control Briefing:</b> Yes: focus on changing a current approach that limits local government agency. Proposes to: give local government defined rights, duties, and powers, which cannot casually be removed, as well as enhanced power to shape their local areas; build cooperative relationships between central &amp; local government.</p>
<p><b>Fabian Society:</b> Yes, particularly in relation to local/metro leaders taking a lead in developing equitable formulae for distribution of LED funds. Also proposes Industrial and Regional Strategy Council with representation from localities and devolved nations.</p>
<p><b>New Local:</b> Yes, it proposes a number of changes at the centre aimed towards the creation of a 'relationship of equals' between central and local government.</p>

<p><b>Does the proposal enhance the power of lower tiers to develop and resource collaborative or multi-level governance arrangements (e.g., combined authorities, state-civil society partnerships)?</b></p>
<p><b>Bennett and IfG:</b> Not explicitly. But seems to suggest the current structures should be kept, and enhanced.</p>
<p><b>Commission on the UK's Future:</b> It encourages these arrangements, without formal proposals to achieve them. The formal proposals for institutional innovation are up-scale.</p>
<p><b>Take Back Control Briefing:</b> Yes, it suggests that local authorities should be able to set up autonomously other (larger) bodies, based on their needs and geography, economic outlook, etc.</p>
<p><b>Fabian Society:</b> Yes (metro-LSPs) and national and local leadership councils for each public service. Not inherently devolutionary?</p>
<p><b>New Local:</b> Yes. Local areas (councils, in tandem with communities) should have a say on the form of devolution that suits them.</p>

**Table 4: Culture:**

Does the proposal address the sub-national “dependency culture” arising from England’s (UK’s) centralised political tradition?
<p><b>Bennett and IfG:</b> Acknowledges the issue, but does not address it explicitly. However, proposals for institutional reform suggest that if implemented, these would lead to a change in government culture.</p>
<p><b>Commission on the UK’s Future:</b> The report is weaker on culture. It references a culture of cooperation, but defaults to governance and process reforms to deal with it.</p>
<p><b>Take Back Control Briefing:</b> Yes, proposes ‘a change in the relationship between the UK and subnational government’, ‘from a supervisory to a cooperative one’ – calling for a profound shift in current dependency culture.</p>
<p><b>Fabian Society:</b> Cultural issues are not directly addressed.</p>
<p><b>New Local:</b> Yes, proposes ‘community power’, enabled by an empowered local government, as an alternative to the current ‘dysfunctional culture of top down government’.</p>

Does it address the correlate culture of “control-freakery” or “elite contempt” for sub-national authorities in Westminster/ Whitehall, and provide for non-interference?
<p><b>Bennett and IfG:</b> Yes, and seeks to address this by proposing the creation of new bodies that would allow a clearer separation of powers between governance tiers as well as allow local government to feed into central government decisions that affect it.</p>
<p><b>Commission on the UK’s Future:</b> It proposes constitutional protection, and the “solidarity clause”, but does not address culture, custom and practice directly.</p>

<b>Take Back Control Briefing:</b> Yes, focus on non-interference of central government on local/ devolved matters (e.g entrenching local autonomy, to limit central government ability to intervene on local matters or change devolution settlement.
<b>Fabian Society:</b> Cultural issues are not directly addressed.
<b>New Local:</b> Yes, it highlights cultural issues and proposes to set up new bodies that can help create virtuous feedback loops.

## Analysis

We have evaluated the five reports by comparing them against our criteria, and each other (see tables 1, 2, 3 and 4).

The New Local Report emerges, overall, as the most ‘radical’ in its vision: it focuses directly and in depth on ‘community power’ and thus brings in an element of bottom-up agency to the debate on the future of devolution that is not so fully developed in the other reports. In this respect, it is closely aligned with the views expressed in the survey of council leaders undertaken by Unlock Democracy (see Appendix 1) in parallel with our inquiry, which accentuates the need to incorporate a bottom-up and community-focused approach.

The other four reports nevertheless contain a wide range of invaluable proposals that would also be radical in the context of what has gone before.

From a broader perspective, it should also be noted that the proposals put forward have many merits, but (perhaps except for the New Local one) none of them addresses the full spectrum of issues - and nor do they seek to.

Assessing them against the path of devolution over the past decades (as outlined in section 2), there seems to remain a gap in developing reform proposals that combine in a meaningful way all of its economic, institutional and democratic dividends thereby addressing in full the issues summarised by PACAC (2022) in their critique of the current system of governance in England.

All the proposals recognise the democratic deficit, but only New Local focuses in depth on enhancing the democratic foundations required for devolution to flourish. The lack of involvement of the public in debates on the future of their areas or the development of measures to bring politics/decision-making closer to them is a persisting feature that needs to be addressed as part and parcel of the devolution debate.

A greater commitment to experimentation and innovation is needed (especially on the democratic side), given that caution remains ingrained in the discourses and practices of English governance.

As we explain above, the New Local Report, reflecting the views of local leaders, emerges as the most comprehensively devolutionary of the five. As a report co-produced with local politicians, New Local brings a truly local element to its assessments and recommendations. As we noted, its primary goal is 'community power', and the report seeks to set a framework to achieve this by widening and deepening devolution while also empowering local government and embedding participatory democracy tools in local government practices and covering issues concerning finance and funding, as well as measures to improve centre-local relations.

The Fabian Society put forward robust proposals for both devolving powers (e.g. over transport, skills, careers and job-centres) and financial resources. They are credible on the equity and fundability fronts and argue that local leaders should be centrally involved in decisions about funding formulae and distribution. They also propose civil society engagement mechanisms.

The Take Back Control Briefing focuses on changing centre-local relations, protecting local government and devolved institutions' powers through constitutional autonomy and the legal duty of subsidiarity. These are important proposals that could transform the current top-down nature of devolution. Yet, to some extent, the main focus is on top-down structures, although with a view to enhancing the agency of local actors within them.

The Bennett and IfG report focuses primarily on institutional reform, arguing that changing in a fundamental way how centre-local relations are governed is a precondition for successful devolution. The proposals presented are credible and relevant – but by focusing on structures, they necessarily accentuate the role of the centre. Whilst references to the need to embed public engagement in the proposed processes are made, in practice the bottom-up dimension is not fully teased out. Questions of power and funding are also mentioned, but explicitly set aside.

A similar assessment can be made of the Commission on the UK's Future report. It sets out a one-term agenda for reforming English governance but maintains a link to previous approaches within the Labour party: it focuses on institutional reform and also highlights the importance of 'double devolution' and the need to devolve functions from centre to regions and localities. However, the way in which these goals should be achieved is either left open or seems overly prescriptive. It also links devolution firmly to economic development goals, while the democratic dimension is mentioned but not fully unpacked. Although only indirectly linked to devolution, the most radical, and potentially contentious proposal is for the House of Lords to become an Assembly of the Nations and Regions.



## Likelihood of implementation

In this section, we evaluate the likelihood of implementation of the proposals put forward in the reports by an incoming government within 2 terms, following the methodology explained in the opening of section 3. Whilst it would not be realistic to offer confident predictions on the implementation potential of any proposal, as explained, we have sought to establish a set of 'guiding principles' for our evaluation (commitment, complexity, controversy, finance and flexibility), based on extant literature on policy processes and implementation (Sabatier and Mazmanian, 1979). This perspective helps to develop a sense of what could be realistically taken on board and done by a committed government.

The five proposals are generally helpful in explaining the likely time frame for successful implementation over either one or two parliamentary terms. For most proposals, these timelines seem credible, but the outcome ultimately depends on the unknowable composition and politics of the next parliament.

The following analysis inevitably involves a degree of speculation. At the end of this section, we provide a table summarising the five proposals, set against our implementation criteria.

### Commitment

Research provides convincing evidence to demonstrate that there is widespread public support for devolution, indicated in numerous polling exercises (e.g., Centre for Cities, 2021).

There is also evidence of widespread support for devolution within local government itself, although in some instances the imposition of new structures (such as metro mayors) or local government reform (e.g. forcing the creation of unitary authorities) has been met with resistance from local leaders. This suggests that the principle of devolution is welcome, but there is a desire amongst local authorities to have more agency in determining how it is designed and implemented, for example by having the right to choose the devolutionary settlement that works best for their area – a view that is echoed in the survey of local leaders commissioned by Unlock Democracy (see Appendix 1). From the perspective of national politicians, the view is mixed: while many devolution advocates have emerged from all sides of the political spectrum, some MPs are still reticent and perhaps worried about having to 'share' power in their constituencies with local figures like metro mayors.

Overall, though, neither public support nor cross-party opinion within local and national government translates into support for specific devolutionary arrangements in specific places. The practice of

devolution has been and will remain politically controversial.

There is presently no indication that if re-elected, the Conservatives would depart from the piecemeal, conditional and contractual devolution formula introduced by the 2010-15 government. The officiousness of the current administration (e.g., towards South Cambs) also suggests that the Westminster/Whitehall culture of “control freakery” remains deeply embedded and that micro-managerial ministers are unaware of or indifferent to the message their behaviour sends.

If elected, the Labour Party is committed to a Take Back Control Bill (TBCB). It has indicated support for the Brown Commission proposals, and Lisa Nandy, who was Shadow Secretary of State at the Department of Levelling Up, Housing and Communities at the time this pledge was made, has shown acuity in reflecting on how and why successive UK governments tend to default to control-freakery, despite commitments to devolve.

As she put it in a July 2023 interview with New Local, “Oppositions promise and governments change their minds. And the reason for that is often accountability and where accountability lies” (cited in Studdert, 2023). She continued:

*These structures have to be made accountable and responsive to the people that they represent. And it has to be clear who is responsible for what so that they can be held to account. Because otherwise what you end up with is a commitment to devolution that falls apart on the first failure where government ministers are being hauled into studios to explain why things have gone wrong in parts of the country over which they had no control, and the immediate instinct is to pull everything back to the centre.*

Nandy’s awareness of the chequered history of devolution provides a stark contrast with the knee-jerk centralism of both the current government and its New Labour predecessor. However, since this interview Nandy has been replaced by Angela Rayner as LUHC Shadow Minister.

While her successor has been far less vocal on the need to radicalise devolution, she has reiterated Labour’s broad commitment to implementing the policy. Yet, until a government comes forward with a bill, and given the deep uncertainties in contemporary political-economic life, it is impossible to predict to what extent commitment and good intentions will translate into action.

Overall, past experience and current practices show that linking devolution to short-term electoral imperatives has never been particularly successful and has given the policy a distinctive flavour of volatility and instability. What has been missing so far, and would

arguably be needed to give stronger foundations to devolution, is a broader level of cross-party commitment, so that what is initiated by one government can be carried on by the next one, instead of ending up in an endless cycle of policy-churn.

The five proposals we examined tackle the issue of 'commitment' in different ways (see Table 4).

The Bennett and IfG report acknowledges that there is a need for commitment by all the main parties to deepen and expand devolved government in all parts of England by 2030. They also propose the establishment of an Independent Commission on the Future of English Governance, which, in practice, would require buy-in from all parties. However, beyond stating that all parties have an interest in devolution, and thus a common ground on which consensus could be built, it is not fully clear how this would be achieved. References are also made to building on public support for the idea of new devolution arrangements, but again details are missing on how to achieve this.

The Brown Commission frames its proposals as deliverable within a 5-year parliament, shows evidence of national consent for devolutionary principles, and has been welcomed by the leader of the Labour Party Sir Keir Starmer. The report does not address cross-party issues, but it does place emphasis on public support for devolutionary principles.

Similarly, the Take Back Control Briefing does not explicitly cover the issue of cross-party support, perhaps because the report targets the current Labour leader and 'team'. It does however emphasise that key local government stakeholders should have a greater say in devolution reform proposals that affect them.

The Fabian Society proposals illustrate widespread support for devolution, but do not address cross-party issues.

New Local's focus on 'community power' and long term commitment suggests potential to overcome party political divisions, but the report focuses primarily on what the Labour party can/should do. Its co-produced approach to devolution also suggests support from local government, public and key stakeholders could be built in.

## **Complexity**

The five proposals all show confidence that full implementation is possible within one or two terms.

However, because they focus on different aspects of the reform process and are more-or-less ambitious in different aspects, the areas in which complexity could affect implementation differ.

Where reforming central-local relations is concerned, one example

of complexity (also political controversy) is the establishment of an agreeable funding formula for the devolution of LED. How could this be agreed? Is cross-party support realistic? Proposals to revive place-based budgeting are also likely to prove complex, as they were in the first iteration, both in terms of local implementation and securing buy-in from notoriously territorial Whitehall departments (a major impediment to many aspects of devolution).

The sheer number of options, and vested interests, means that an exercise like reforming the House of Lords – or indeed any other grand constitutional reform – would be complex, as well as politically contentious. The structural and cultural issues discussed earlier, central control-freakery, departmentalism, treasury domination, and local dependency also have the potential to deflect devolutionary intent, and we believe that these issues need to be confronted openly and transparently, as Lisa Nandy, quoted above, attempted to do.

## Controversy

We reiterate our cautionary note that although the idea of devolution is popular with the public and both local and national politicians, specific devolutions are controversial and vulnerable to politicisation, as the patchwork devolutionary map in England illustrates.

Some proposals, such as Brown's for replacing the House of Lords with an Assembly of the Nations and Regions would likely receive significant opposition, if not to the principle of reform then to any preferred option. Rumours circulate, for example, that a first-term Labour government will enact only minor reforms to the Lords.

Specific devolutionary arrangements are also liable to politicisation, and it is questionable how much mileage remains in the contractual model for completing the devolutionary map of England, let alone radicalising it. In this respect, the current government's preference for Combined Authorities and metro-mayors, signified by the way it deprivileges areas opting for level 1 or 2 deals, could be viewed as a major impediment.

The council leader survey undertaken by Unlock Democracy (see Appendix 1) made clear that local leaders do not believe the mayoral model should be imposed, and that they should be free to select from a "menu" of agreed devolutionary options.

The Brown Commission takes a similar view, while New Local argues for clarity, to be achieved through a universal model legislated - not imposed - from the centre.

Considering the 2023 Autumn Statement, therefore, we see a possible tension in relation to further radicalising devolution in line with recently established principles. This is that blue-printed devolution deals (what the Fabian Society calls contractual devolution) cannot achieve

universal coverage in England without grating against local politics.

Under the current model, there could be significant barriers to going beyond level 2 (non-Mayoral devolution) in some parts of the country without controversy and conflict.

We question how much “low hanging fruit” remains in terms of the political geographies amenable to what the UK Government terms “level 4” or “trailblazer” devolution deals, which follow a blue-print and often involve the upward as well as downward transfer of powers.

An incoming government might have to accept that as the OECD (2019) recommends, successful devolution will be done asymmetrically and without the conditionalities currently imposed from Westminster, but this carries risks with respect to spatial equality.

The question of funding and fundability also has considerable potential to generate controversy.

Most proposals recognise the need for additional devolved functions, tax and revenue autonomy, but Whitehall directed funding would continue to be vitally important, and would be inescapably political.

The question of whether funding settlements are determined according to pro- or counter-cyclical principles illustrates the potential for radically different outcomes under different governments.

Moreover, while empowering local authorities to set local taxes might be seen as a good idea in principle, attempting to implement them would be controversial. Such measures could not reasonably be imposed without public consent, and this would be a major challenge. Equity considerations would also arise.

Finally, and relatedly, a new government will encounter the burgeoning fiscal crisis in English local government. While this crisis could be seen as a positive stimulus to radical devolution, it is equally likely to be a chilling factor if sustaining threadbare public services becomes the overriding priority.

## Finance

The cost of delivering devolution differs from that of the economic and fiscal dividends that might flow from it. It is likely that designing and implementing devolution, however cautious or radical, will incur set up and running costs (e.g., Greater Manchester metro mayor office 'to cost £5.4m' - BBC News).

Some measures, such as the creation of (anti-devolutionary?) Unitary counties would offset set-up costs by reducing running costs, but at considerable cost to local democratic representation and political

identification.

Others, like Brown's ill-defined conception of "double devolution", or New Local's call for a model of devolution anchored in community empowerment, would be likely to incur both set-up and running costs (Participatory Budgeting | Local Government Association).

However, the costs and savings of specific devolution measures are neither calculated nor guessed at in the five proposals. It might be that costs are considered relatively trivial in light of the presumed gains flowing from devolution.

## **Flexibility**

New Local recognises the need to ensure that devolution "sticks", but questions of flexibility, experimentation and adaptivity in implementation are not addressed directly in the five proposals except insofar as they recognise that "one size fits all" will not work.

The matter is rather addressed by calls from New Local and the Fabian Society for a phased approach, and the Brown Commission to proceed with caution.

With respect to fiscal devolution, the Fabian Society recommends that targeted levies could be introduced quickly, but that the 2025-30 Parliament should be dedicated to local capacity building for the devolution of local economic development, with full implementation in the following term.

A related issue is that of evaluation and learning. Any government reform, including devolution requires embedding evaluation and learning mechanisms to inform subsequent policy analysis and implementation.

Applied in good faith, this approach could also mitigate the chronic short-termism of UK policy towards, for example, local economic development institutions (Coyle and Muhtar, 2023).

In sum, we see no reason why a strong government committed to delivering radical devolution could not do so within 2 terms, on the proviso that local and civil society consent is also forthcoming. The impediments - always formidable - are path-dependencies, politics and vested interests, as well as the burgeoning fiscal crisis in English local government.

Below we provide a table summarising the likelihood of implementation in two terms for each report against the criteria developed for this purpose.

**Table 5 - Likelihood of implementation:**

Commitment: Degree of cross-party, central-local and public/ stakeholder assent for the proposal.
<p><b>Bennett and IfG:</b> Highlights need for commitment by all the main parties to develop devolved government in all parts of England. Proposes an independent commission on the future of English governance, which would require buy-in from all parties (but unclear how to achieve it).</p>
<p><b>Commission on the UK's Future:</b> Framed as deliverable within a 5-year parliament, the report evidences national consent for devolutionary principles, and has been welcomed by Labour. Does not address cross-party issues but illustrates public support for devolutionary principles.</p>
<p><b>Take Back Control Briefing:</b> The issue of cross-party support is not covered as the report targets the current Labour leader &amp; 'team'.</p>
<p><b>Fabian Society:</b> Fiscal devolution is framed as a two-term proposal, with capacity building in term 1 and comprehensive devolution in term 2. It does not address cross-party issues but illustrates public support for devolutionary principles.</p>
<p><b>New Local:</b> The focus on 'community power' and long term commitment suggests potential to overcome party political divisions, but the report focuses primarily on what the Labour party can/should do. Co-produced approach suggests support from local government, public and key stakeholders could be built in.</p>

Complexity: Capacity for the multi-scalar system to deliver the proposal competently within the specified two-term (10 year) timeframe.
<p><b>Bennett and IfG:</b> Sets a 2030 timeframe to complete devolution – but the extent/depth of institutional reforms proposed could take longer in practice.</p>
<p><b>Commission on the UK's Future:</b> The report insists that all recommendations can be delivered within a single 5-year term. The proposals are mostly clear, but likely controversial. Double devolution and Total Place are complex and vague.</p>
<p><b>Take Back Control Briefing:</b> Does not provide a clear timeframe, but provides a clear set of actions.</p>

**Fabian Society:** If unexpected barriers/unintended consequences do not emerge, it could be delivered. Developing funding formulae would be complicated as well as controversial.

**New Local:** Sets 2030 as the timeframe by which all proposals could be achieved. Acknowledges complexity and caters for it by promoting a 'phased approach' (e.g. with a combination of short and longer term actions).

**Controversy: Vulnerability to politicisation/wedge issue politics (e.g., ULEZ, 15-minute city).**

**Bennett and IfG:** Again, extent and depth of institutional reforms proposed suggests that they could be open to controversy.

**Commission on the UK's Future:** Lords' reform and the proposed Assembly of the Nations and Regions is the most obviously politicised element. Turf and boundary issues could arise, e.g. disempowerment of cities by metropolises (Leicester).

**Take Back Control Briefing:** By targeting only the Labour Party, it does not provide suggestions for creating 'cross-party coalitions of support' for proposals.

**Fabian Society:** Politicisation is more likely at the local scale than the national. What "low hanging fruit" remains for devo deals? Would a city like Leicester be disenfranchised by a metro mayorality? Any funding formula would be contentious.

**New Local:** Focus on the community level suggests that emphasis is on 'place' rather than party politics – so probably less vulnerable to politicisation and open to address local issues on a local basis.

**Finance: Costs (and benefits) to be incurred by rolling out the proposal, and evidence of commitment to meeting them.**

**Bennett and IfG:** Does not cover/assess the costs needed to put forward the proposals.

**Commission on the UK's Future:** The report focuses mainly on the economic benefits of devolution, but contains no formal estimates. Nor does it address questions of how LG should be funded.

**Take Back Control Briefing:** Suggests the creation of a 'fair funding formula', but no formal estimates are provided.



**Fabian Society:** The proposals are framed in a way that suggests they are cost-neutral (including to residents). Equity/ “levelling up” would require significant redistribution to poorer areas.

**New Local:** Phased approach makes the proposal seem feasible. However, the call for community power and all connected radical changes might be more costly than envisaged in the report.

**Flexibility: Capacity for the proposal to be piloted, phased and revised.**

**Bennett and IfG:** Not addressed.

**Commission on the UK’s Future:** The report itself does not address this issue. New institutions would take time to bed in, especially a new second chamber and Council for England.

**Take Back Control Briefing:** Not explicitly addressed.

**Fabian Society:** Not directly addressed, but the capacity building phase is suggestive of a cautious approach to fiscal devolution.

**New Local:** Yes, flexibility is presented as key to make change happen and ‘stick’.

# Conclusion and Recommendations

The need for devolution is almost universally recognised.

The Unlock Democracy Council Leaders' survey (Appendix 1) indicates just how strong the appetite is.

But, as our analysis of five wide-ranging proposals has shown, developing a plan that really empowers localities requires rewiring the relationships between central and local government and between local government and its citizens, both from a structural and organic perspective and building long-term cross-party political commitment.

To move forward and make sure devolution 'takes root' and succeeds, we also need to learn from past experience, going beyond narratives and approaches that repeatedly limit its potential.

From a broader perspective, looking back, three main learning points have emerged from our analysis.

First, there is a recurring tendency to conceive of devolution and economic development strategies as tightly connected, as if the former was necessarily conducive to the latter. While, as we have seen, this link has some foundations in the literature (OECD, 2019; Rodriguez-Pose and Vidal-Bover, 2023), in practice so far none of the attempts by recent governments has succeeded (Webb et al, 2022).

Second, and relatedly, this approach to devolution is peculiar to England, and does not match the path taken by the other nations of the UK. In Scotland and Wales, for example, the main rationale for devolution was embedded in democratic principles, i.e. to give representation to the distinctive identities of these nations. In England, the assumption that devolution is a means to bridge existing socio-economic inequalities has often overshadowed its democratic dimension (Prosser et al, 2017). Metro-mayoralities were conceived following an economic agglomeration theory, not as fulfilling democratic needs, or as giving expression to a political community. This needs to change.

Third, as the OECD (2019) warns, central government must play a key role in facilitating the creation of framework conditions necessary to make devolution work. In this respect, the power-hoarding nature of the Westminster model of government, combined with constant institutional and policy churn, have been major obstacles to full devolution in England. These issues must be addressed if a historic devolution settlement is finally to be achieved.

Drawing on these points, our first, wider recommendation in relation to the question "what does 'a good plan for devolution' look like?" is that **any incoming government should take a holistic approach to the**

**policy** – working on the economic, institutional, cultural, geographic and democratic dimensions of devolution in tandem.

Radical devolution requires a radical approach and a comprehensive, coherent and cohesive plan for reform, developed in partnership with local leaders and communities.

A good, sustainable plan for English devolution therefore requires several steps, focusing on enhancing the autonomy of the local level in terms of power and funding, while also rethinking the governance and cultural dynamics of the UK system.

Any incoming government that is serious about devolution should be prepared to take up this challenge and initiate a bold programme of constitution-shifting reform that covers all these dimensions.

We recognise that a formal written constitution is not on the agenda for England or the UK, and that is not what we propose. Rather, we contend that what matters is how devolution is designed and implemented – irrespective of the constitutional setting within which it is inscribed – and that is what the next government should concentrate on getting right.

As we previously observed, the best outcome is for devolution to become embedded in constitutional precedent, custom and practice over time. Brown’s proposal for the reformed second chamber to be charged with safeguarding devolution, thereby contributing to its constitutional entrenchment, is significant in this respect.

In this sense, the five proposals represent important interventions in one or more aspects of the debate on the future of devolution.

Reflecting their differences in focus, some (Bennett and IfG, Commission on the UK’s Future, Fabian Society, Take Back Control Briefing) focus more on the structures and strategies that are needed to overhaul existing institutional shortcomings and the economic dynamics that underpin devolution.

Others (New Local and to some extent the Take Back Control Briefing) concentrate on reconnecting ‘the local’ to the machinery of Westminster, by showing clearly how to put communities and councils at the heart of the devolution agenda, giving them a voice on decisions that affect their future.

Below we provide a set of recommendations, drawing on the many excellent suggestions included in the five proposals.

## Power

The tendency to concentrate power at the centre is a systemic obstacle to devolution. Several steps should be taken by the next government to tackle this:

- **Protect the constitutional autonomy of devolved and local institutions:** this would help set a clear division of responsibilities between central and sub-national government bodies. In practice, it would involve setting out a dedicated Bill (see below) that provides devolved and local authorities with exclusive powers within their competences, based on a principle of non-interference from the centre (except in cases of clear ‘misconduct’ or governance failure).

Such a change would also promote a ‘culture transformation’ in the relationship between central and local government, enhancing the institutional depth of subnational governance bodies and moving towards a system of intergovernmental relations based on trust, cooperation and clear communication.

We recognise that “constitutionality” is problematic and for the foreseeable future will have to emerge informally, through the socialisation of institutions and political cultures to new arrangements. To this end, the Brown Commission’s recommendation to explicitly badge some legislation as “constitutional” is a welcome step.

- **Devolve a wider range of powers, based on the principles of flexibility and ‘funded mandates’:** all areas across England should be able to get more devolved powers. These, however, should not be ‘prescribed’ by or negotiated with the centre based on unilateral decision making authority.

As the Brown Commission intimates, local actors should be allowed to take on as many powers as they consider appropriate for their institutional set up. Some areas, where there is more institutional capacity and a legacy of cooperation across councils that are part of or will form a combined authority might be able to take on more levers from the start, while others might prefer to focus first on building institutional capacity and take on devolved powers at a slower pace.

Local institutions should be equal partners in devolution negotiations and have a direct say on the future of devolution in their area: their responsibilities should be tailored around local preferences, needs and abilities, as well as geographical, socio-economic, demographic and identity characteristics.

Through flexibility (combined with subsidiarity, addressed in the next recommendation) local areas would also be able to make

devolution work around the geography and the institutional settings in a way that makes sense for them, and not just Whitehall. This would remove the current top-down impositions and ensure that appropriate powers can be drawn down and exercised at the scale deemed most suitable to local circumstances.

Furthermore, any power devolved should always be matched by commensurate funding (see also section on Money) to devolved and local bodies, so that this can be used effectively to put into practice specific devolved policy measures, and redirected to communities (see also section on subsidiarity).

- **Fully legislate subsidiarity:** Subsidiarity – understood as the precept that power and policy levers should be assigned to the lowest level of government with the capacity to achieve the best possible objectives (OECD, 2019) – should become entrenched and the key guiding principle for a new devolution settlement.

This would lead to a new system of power redistribution, where responsibilities are allocated to different tiers, with different objectives, according to their abilities. Thus, the principle of subsidiarity should apply right through the system and all the way down to the community level. This would also help strengthen local democracy, by bringing power and money closer to people.

We therefore recommend that a parliamentary act enshrining the subsidiarity principle should be legislated through a comprehensive English Subsidiarity Bill, discussed further below.

## Money

Chronic underfunding of sub-national governance institutions on short-term cycles in the context of austerity is a malign issue that has triggered major financial crises, reduced the autonomy of the local level and potentially limited the impact that devolution can make.

Changing funding approaches is a complex, yet necessary task that could be achieved by implementing a number of measures within a two-term horizon:

- **Create more stable funding for local government:** through longer (3-5 years) cycles, and by removing the current competitive approach to funding allocation, so as to give councils more clarity over planning. This is a ‘quick win’ that could be easily achieved in the first spending review of an incoming government.
- **Allow local authorities, including combined authorities, to set a range of local levies.** This would be an enabling measure only and could therefore be enacted very quickly. Clearly, implementation could be controversial among publics sceptical of (non-progressive) taxation.

- Following the “double-devolutionary” principle, it would therefore be the task of local authorities to determine the merits and equity implications of introducing specific charges in dialogue with citizens.

Exercising devolved powers without public consent would violate the devolutionary spirit we try to capture.

We recognise the need to design levies in such a way that they are progressive with respect to local inequalities, and do not further exacerbate inequalities between cities and regions.

- **Rewire the funding system for sub-national government institutions:** as the reports we have analysed clearly point out, this would entail working on a number of fronts, including, for example, revising local tax retention levels, reviewing the impact of business rate retention, enhancing local discretion over the use of central government funds, removing the competitive nature of local government grants, ensuring that devolution deals are funded in a sustainable way, including local discretion over budgets spent, and assessing the potential of fiscal devolution.

Equity considerations, and place-based needs must be founding principles of fair funding.

These are complex issues that should be tackled in a coherent and comprehensive way, creating a new funding framework co-produced by the centre in partnership with local leaders.

This could take the form of a **‘Fair Funding Bill’** to provide coherence and stability to the reforms, protect them from unnecessary churn – thus allowing them to take root and help tackle persisting regional inequalities through a long-term approach. A Fair Funding Bill should enshrine the objective of directing government resources towards reducing entrenched spatial inequalities and other disparities that flow from resource allocation, across a range of economic and social indicators.

Such an approach would also entail a cultural shift in the way funding is allocated, as it would be mandatory for local representatives to have a voice in processes that will define the new funding system, moving away from the dominant Treasury orthodoxy, while also helping to strengthen the link between the economic and democratic dimensions of devolution.

While acknowledging the challenges related to the elaboration of the Fair Funding Bill, this should be a priority for the next government in its first term.

- Over and above a Fair Funding Bill, it will be necessary to **address the austerity-driven collapse in discretionary service provision** and the retreat to statutory functions in many areas. This debate is not only about how sub-national governance is funded, but also what its public purpose is seen to be as we move towards the mid-21st century.
- Measures should be taken to enhance place-based approaches to funding, learning from past efforts and improving upon them. The idea of ‘community power’ could underpin this approach, putting the citizen experience at its core.

The logic of joint working, and continuous citizen feedback, would help address problems holistically and has the potential for delivering better outcomes as well as financial savings by rerouting public-service funding around local (rather than Whitehall’s) needs.

## Governance and Culture

Many of the reforms proposed with respect to power and money would require a profound change in governance practices and cultures that are deeply embedded in the Westminster system. Again, this is a complex task, but it could be achieved – or at least improved – by working on a number of dimensions:

- **Create a statutory body that gives formal representation to English Local Government at the centre.** This would allow real co-production on devolution policy and sub-national governance matters. Such a statutory framework is essential to re-balance centre-local relations and give local authorities a formal voice that cannot be ignored by the centre.

This is the norm in many western European countries and would facilitate an institutional, political and cultural shift in the recognition of central and subnational bodies as ‘equals’. Determining what the optimal institutional arrangements and configurations should be requires further work, not least on the effective powers central-local institutions would wield.

- **By Spring 2025, establish a Convention on the future of English Governance.** With representation from all stakeholders, the Convention should quickly establish shared devolutionary goals and timescales, meeting thereafter at regular intervals to review progress and reinforce momentum. The Convention could also be the arena in which vexed questions of equitable needs-based funding could be worked through.
- Early in the next parliament enact the proposed **English Subsidiarity Bill** that a) enshrines the subsidiarity principle in law, b) clarifies in statute the relationship between central, devolved

and local government, recognises the autonomy of devolved and local bodies, and provides a clear framework that sets out their power, responsibilities, and funding thereby protecting against constant institutional churn; c) gives more stability and permanence to current devolution deals – setting them into primary legislation (while now each deal is only linked to secondary legislation); d) commits to expand the map of English devolution to the whole country, with a flexible approach based on local needs; e) ensures local leaders have a direct say on the form that devolution will take in their areas; f) confers powers on local leaders to initiate legislation in parliament; and g) transfers responsibility for financial accountability to Local Accounting Officers.

- **Develop mechanisms at both national and local levels to ensure that citizens have a say in the guiding principles and geographies of devolution, and its subsequent implementation.** Such mechanisms, which could include deliberative assemblies and other tools that go far beyond conventional forms of consultation, could either be agreed at the national level and established universally through central-local dialogue, or left to the discretion of localities. “Double devolution” is another area in which further work is required, not least because some proposed fiscal measures would provoke a great deal of local controversy.
- Finally, we believe that both central and local governments need to work towards a culture change. While the devolution of power, money and governance will be transformative in its own right, culture change in any organisation is a tough challenge.

To this end, we recommend that **the UK government introduces an organisational change programme in parallel with structural reforms** to work against the Westminster-Whitehall control-reflex, and that local government bodies do similar to counter “municipal Stockholm Syndrome”.

This would no doubt be an ambitious programme of reform – but radical, competently executed devolution is possible.

Ultimately, as the OECD (2019) reminds us, making devolution work is a political choice: it should be conceived and pursued as part of a larger, comprehensive and irreversible process of institutional change – leading to a new model of governance no longer based on hierarchical, top-down and vertical relations but rather a bottom-up and co-operative perspective, with more transparency, accountability and participation, in particular at the local level and among citizens.

The recommendations drawn from our analysis of the latest thinking of devolution provide a starting point and a roadmap that would allow the next government to take up this challenge. At this time, there is perhaps a unique consensus and opportunity to do so, and make



devolution succeed.

As a council leader commented in response to the Unlock Democracy survey: “Devolution has many models, no one size fits all can work for everywhere – we need true localism”.

Now is the time to act on that sentiment.

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# Appendix: Unlock Democracy council leaders' survey

In December 2023 Unlock Democracy conducted a survey targeted at local authority leaders to gauge their views on the current devolution settlements, and local government's role and place within it, and test their appetite for a more radical approach. Below we provide a summary of the data that emerged from the survey.

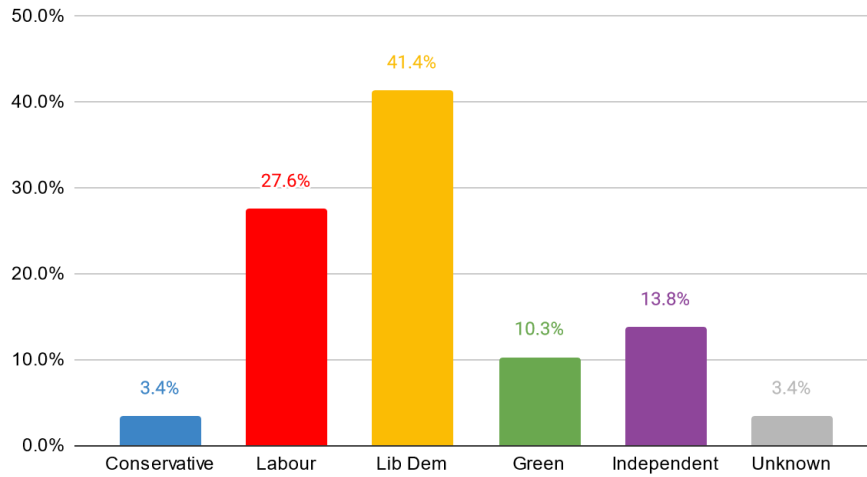
Date of survey: 12/12/2023

Sample: 32

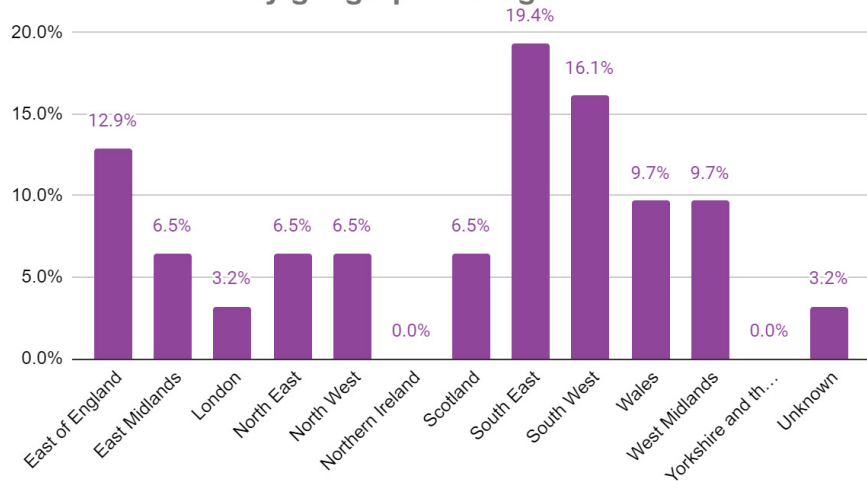
## Executive summary

- 96.9% of council leaders said central government has too much power.
- 59.4% of council leaders said central government has treated their council 'very unfairly' in terms of funding.
- 71.9% of council leaders said central government values the role of local government 'very lowly'.
- 87.5% of council leaders would support more funded or fundable competences being devolved to their tier of government.
- 75% of council leaders would support their authority widening the range of discretionary services it provides.
- 75% of council leaders want their local authority to be granted new powers to raise revenues.
- 43.8% of council leaders want their local authority to be granted new borrowing powers.
- 62.5% of council leaders want local authorities to have the power to establish the principles according to which they are elected, governed and managed.

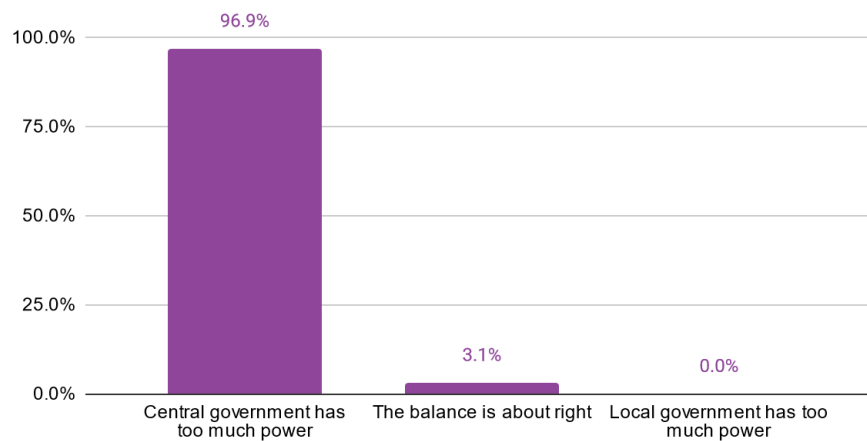
### Political affiliation of survey respondents



### Council leaders by geographical region



### Question 1 - Which of the following best describes your feelings about the balance of power between central and local government right now?



## Question 2 - Please tell us the reasons for your answer

Council leaders said they do not have sufficient funding, and are restricted in their ability to raise funds -

- “Limited funds locally not supported by central government whilst at the same time they keep directing more functions and responsibilities our way without financial support.”
- “The funding of local government does not match the cost of statutory responsibilities or the vast array of other obligations we have. We need greater power to raise our own funds.”
- “Financials levers rest overwhelmingly with central government, even in comparison with countries of a similar size and geography. Crucially, devolution in Scotland has not led to the further empowerment of Scottish local government. 'Double devolution' is not a reality for Scottish local authorities.”

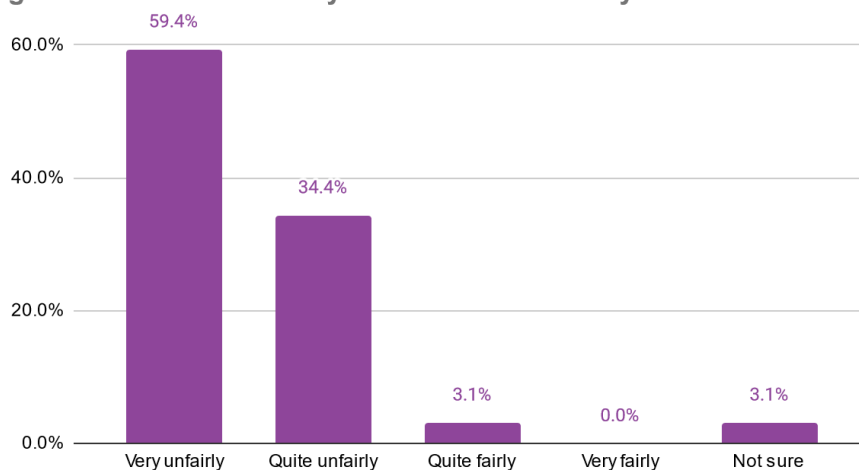
Some council leaders said central government has too much power over matters that councillors are better placed to deal with:

- “Councils are much better placed to make decisions based on local need. Government increasingly decides what councils should be doing rather than allowing funding to be used where it can do the most good.”
- “Too often the role of local government is to deliver a service as proscribed by Whitehall with little or no discretion to tailor to local circumstances.”

One council leader said the balance of power between central and local government in Wales was about right -

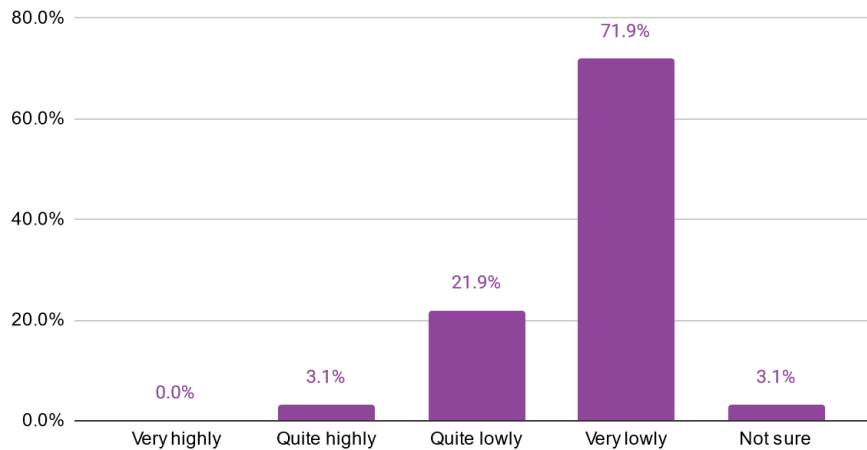
- “I believe that in Wales we have an excellent working relationship with the Senedd and Local Gov.”

## Question 3 - In terms of funding, how fairly do you think central government has treated your council in recent years?





**Question 4 - How much do you think central government values the role of local government?**

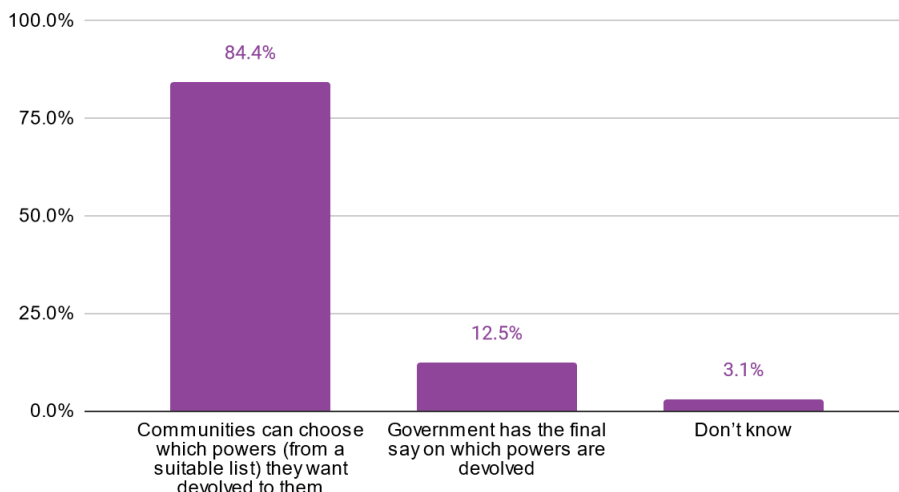


**Question 5 - If you could make one request to central government to improve things for local government, what would it be?**

Almost every council leader requested more funding, or more tax raising powers -

- “Provide appropriate finance to deliver the services our residents rightfully expect”
- “A better, longer term, financial settlement”
- “Sufficient, long-term funding, not tied to govt pet projects”
- “Give us more powers to raise our own funds. Local Tourist Tax for an Example.”
- “Stop controlling so much our funding through ringfencing and imposing freezes or caps on Council Tax.”
- “Reform of council tax and business rates”

**Question 6 - How would you like devolution to work?**



• **Question 7 - Please tell us the reason for your answer**

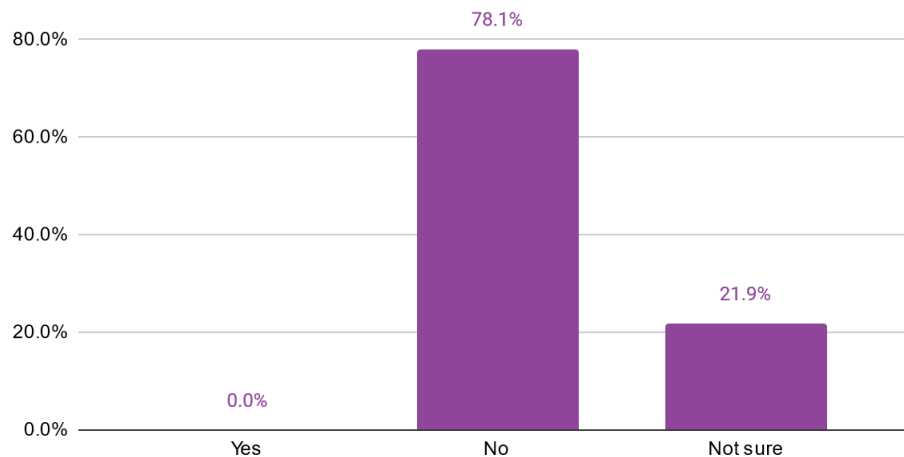
Council leaders said communities should choose their own devolved powers because they know what will work best for their area -

- “Communities and local councils know what matters to local people and can offer effective solutions”
- “Government does not understand devolution or local government. So it would be daft to give them a say.”
- “The Covid pandemic showed us how a one size fits all solution doesn't work. Decision makers need to be close to their communities and understand what works best”
- “Local people know local issues, not central government”

A handful of council leaders said central government should have the final say on which powers are devolved because -

- “Ultimately there must be democratic accountability through Parliament but there also needs to be a political culture change.”
- “Central Government must devolve power but it should be a joint process of decision making.”
- “Community consultation is very important but it is not always possible for the community at large to understand the best method of service delivery”

**Question 8 - Should devolution be dependent on the reorganisation of local government, such as agreeing to establish a metro-mayoralty?**



### Question 9 - Please tell us the reason for your answer

Some council leaders said they are against establishing metro mayors -

- "All metro mayors do is create another tier, more remote from local communities."
- "The mayoral system puts too much power in the hands of one person. Local government is accountable, collegiate and effective when it is built around teams."
- "Communities do not want or need a mayor. They trust and value their councils and power in the hands of one person causes real problems and makes people feel disempowered."
- "Autocratic leadership by one leader is not the way to make effective collective local decision making."

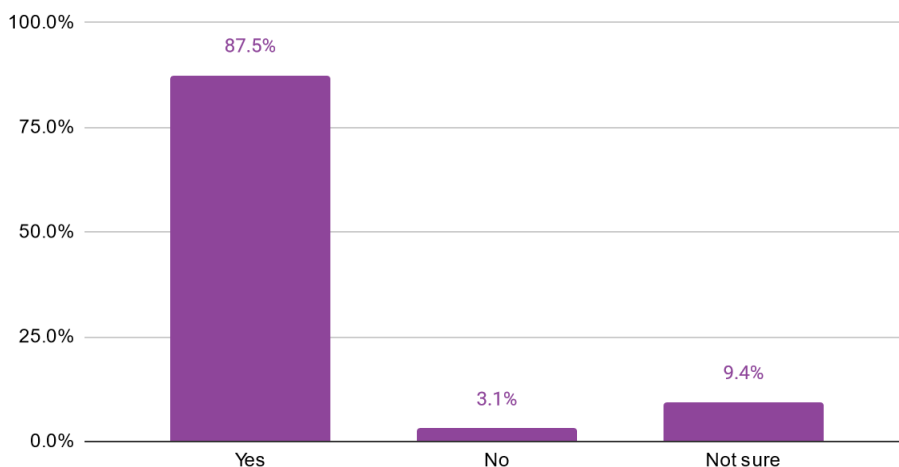
Some council leaders said government should not impose any specific structure on a local area -

- "Local government should decide what the most appropriate structure is for their area."
- "Government imposing solutions is centralisation, not devolution."
- "Whilst a menu of items to devolve is right, the type of arrangement for how to administer control should be a local decision."

A handful of council leaders were not sure -

- "I think LGR should happen but wouldn't want this potentially long winded process to hold things up further."
- "Shouldn't be forced to have a specific form of governance, but equally with more powers and responsibility need to reform/change structures to ensure capacity and accountability is in place"

### Question 10 - Would you support more funded or fundable competences being devolved to your tier of government?

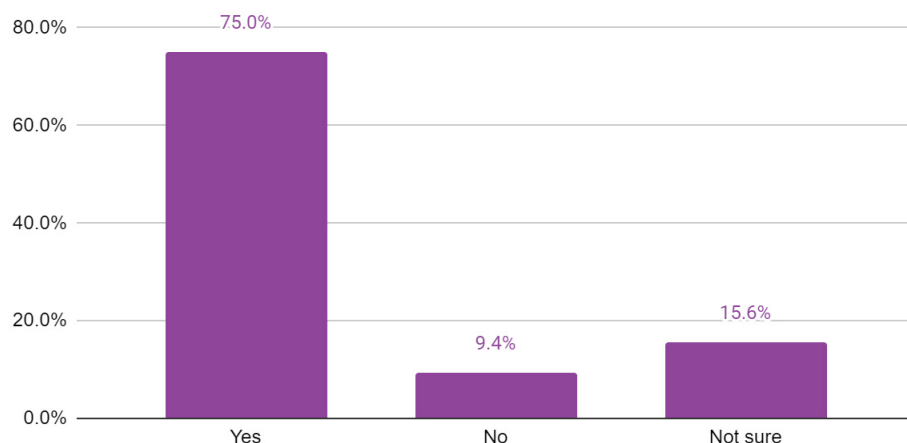


### Question 11 - Please provide examples of funded or fundable competences you would like devolved to your tier of government?

Examples given by council leaders were transport, planning, housing, education, health and social care -

- “Structure planning, public transport, economic development, most aspects of schools and education including FE”
- “Renewable energy installation, public transport provision, active travel infrastructure, insulation retrofitting, public utilities”
- “public health, adult and children social care. planning and housing. ability to set pay awards.”
- “Public Health, Further Education & Skills”
- “Transport, skills, regeneration”
- “All health, education, probation, magistrates, utilities, transport, police.”
- “Total control over housing and planning”
- “Greater oversight of health and bus franchises.”

### Question 12 - If you had the resources to do so, would you support your authority widening the range of discretionary services it could provide?



### Question 13 - Please provide examples of any discretionary services you would like your authority to provide

A wide range of examples were given -

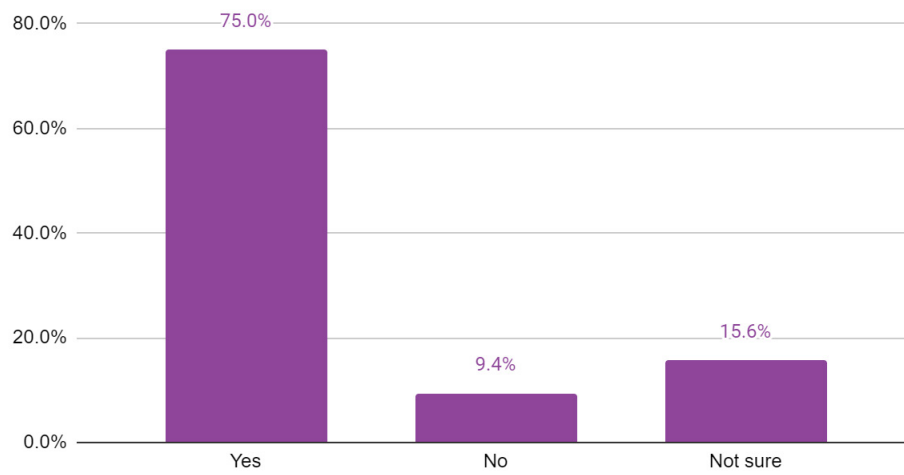
- “Youth facilities and support to help keep our young people occupied and engaged with our communities”
- “All of the services we used to provide before the Coalition government began the austerity programme. Examples include: Surestart, neighbourhood nurseries, community wardens and support for the voluntary sector”
- “Better services to the public.”
- “Bus services”
- “Youth provision, more around health and wellbeing, the arts, tourism and more to community safety.”
- “Public health, all community safety, benefits.”

- “Improved community facilities.”

One council leader doubts whether councils are always suited to service delivery -

- “I answered not sure because I don't believe councils are necessarily always the right solution for service delivery. The VCS and private sector can sometimes do it better. However, having the funding to be able to decide how best to commission extra services would be very welcome.”

**Question 14 - Would you want your local authority to be granted new powers to raise revenue?**

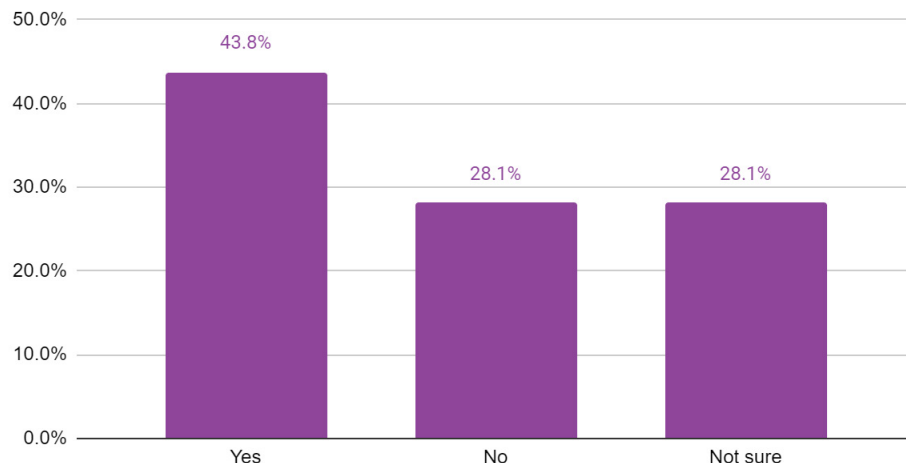


**Question 15 - Please provide examples of any new fundraising powers you would like your authority to have**

The most common answers given were tourism tax, and more flexibility with council tax and business rates -

- “Tourism tax, freedom over a reformed council tax”
- “Tourist tax, cruise visitor levy, greater control over Council Tax and the return of non-domestic rates.”
- “removal of the cap from council tax, retention of business rates, local business rate system, freedom to increase all fees and charges as we see fit, removal of oversight control of use of PWLB loans”
- “complete authority over business and council tax rates”
- “Increase cap on council tax rise. More long-term central govt funding, not tied to pet projects”
- “Localise VAT, business rates, tourism taxes.”
- “A framework to support municipal income generation and the management of risk. Tourism taxes, reformed business rates and additional sales taxes should be among the suite of options available to local authorities.”

### Question 16 - Would you want your local authority to be granted new borrowing powers?

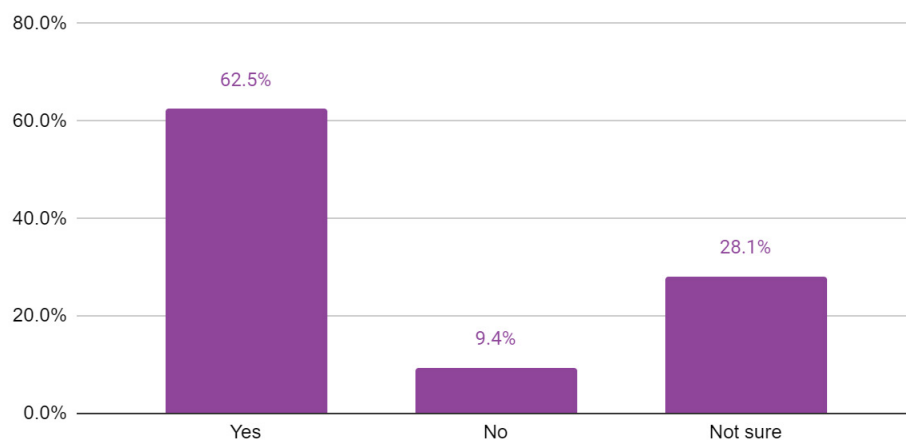


### Question 17 - Please provide examples of what you would be borrowing to invest in

The most common answers given were housing, renewable energy and transport -

- “Building affordable houses renewable energy initiatives”
- “Borrowing to directly invest in housebuilding”
- “To tackle climate emergency/ reduce energy bills”
- “Renewable energy installations e.g. land based wind and solar”
- “Improvements in highways infrastructure, public transport, build our own care homes to change the care market, higher education.”
- “Transport and housing”
- “Long-term investment borrowing for infrastructure from future tax receipts.”

### Question 18 - Would you want your local authority to have the power to establish the principles according to which it is elected, governed and managed?



• **Question 19 - Please explain why?**

Some council leaders said their local authorities' arrangements should reflect the uniqueness of their area -

- “One size does not fit all and we need to focus locally”
- “True devolution should enable local tailored governance arrangements rather than top down one size fits all rules.”
- “Local councils need to reflect their own areas "one type fits all" does not work”

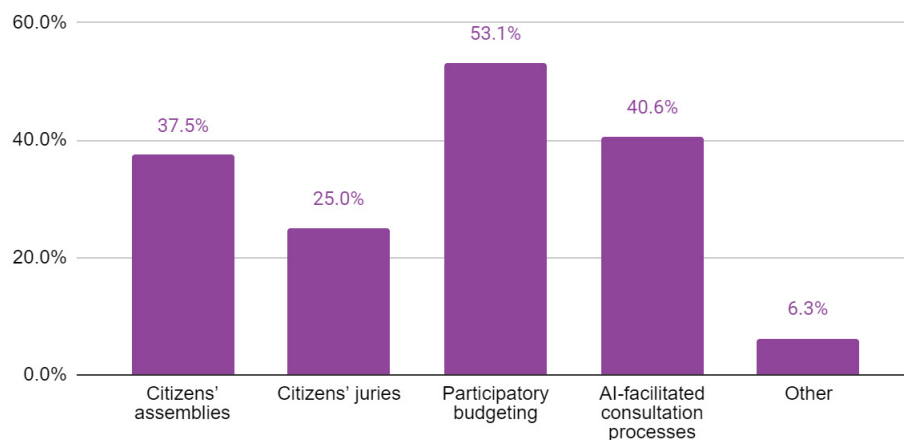
Other council leaders said local government should make these decisions as they can be held accountable -

- “Local accountability is stronger than central accountability.”
- “This idea of local government is that it is accountable and can make decisions!”

Two council leaders were unsure about local authorities deciding on their own arrangements because of the potential for gerry-mandering

- “It would be dangerous to grant full local powers over this because of one party abuse. But given that the Government is now gerrymandering elections itself, it might be safer to take these powers off them”
- “The choice of electoral system can be utilised by political parties in control to gerrymander the outcome, locally or nationally. A nationally agreed and imposed system of electoral choice should be implemented”

**Question 20 - To improve community involvement in your decision making processes, would you back? (tick as many as you want)**



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