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Evidence for the [Devolution All-Party Parliamentary Group Inquiry](#)

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Existing barriers to devolution

- **Lack of a clear purpose and ‘road map’ for devolution** – The aims and framework for devolution in England have lacked clarity and structure. Decentralisation in England since 2010 has had multiple aims: economic growth; spatial rebalancing/‘levelling up’; deficit reduction; public sector reform; local government reorganisation; political advantage; societal challenges; and, public accountability and democratic renewal. These numerous aims have meant devolution has been loaded with too much expectation and pointed in too many directions. Fundamentally, devolved governance is about making people’s lives better. A road map that clarifies the aims, purpose and forms for devolution in England is clearly needed. Areas with some devolution and those without need to be given a clearer sense of the direction and potential powers and resources to reduce uncertainty and support their medium and longer-term planning to enhance prosperity and wellbeing in their areas. The current government’s delayed Devolution White Paper provides a unique opportunity for this ‘road map’ to be developed and introduced. Former Minister for Regional Growth and Local Government Simon Clarke acknowledged exactly this point in a major 2020 speech to the Northern Powerhouse Education, Skills, and Employment Summit².
- **Uncertainty about the vision and destination for devolution** - Institutional arrangements may have to work with evolving the existing arrangements rather than replicating the historical problems of further radical reorganisation, instability and churn. The ‘road map’ is needed to guide this process. Reforms also need to be informed by evaluation of the effectiveness of the existing arrangements that has been lacking to date. There is potential to focus on developing the kind of less centralised and multi-level governance system used in other comparable countries in three areas: more formalised and integrated governance at local/subregional levels, building upon the Combined Authority models and geographies; enabling and resourcing areas to coordinate for specific policy areas at particular geographical scales, for example, the Northern Powerhouse area for energy, transport and R&D infrastructures³; and, seeding capacity for parish and town councils to mobilise and address community level issues. The ambition is to move towards a more coherent and integrated multi-level governance system and reducing complexity, perceived unfairness and confusion: a federated England in a devolved UK polity.
- **Limited and uneven devolved powers and resources** – The powers and resources devolved have been limited and uneven. There are different types of

² Minister for Regional Growth and Local Government, Speech to Northern Powerhouse Education, Skills, and Employment Summit, July, 2020, <https://tinyurl.com/y3shssck>.

³ MacKinnon, D. (2020) *Reinvigorating the Northern Powerhouse: Recommendations for Policymakers*, CURDS: Newcastle University, <https://www.ncl.ac.uk/media/wwwnclacuk/curds/files/NPh%20Policy%20Briefing.pdf>

decentralisation with low to high levels of powers, autonomy and resources: administrative, deconcentration; delegation; political; fiscal; and, devolution (Table 1, Appendix 1). Decentralisation in England is more like delegation with some political decentralisation than devolution. Strengthening the powers and resources of subnational governance in England is therefore necessary to move it in the direction of meaningful devolution to realise its potential. The basic rationales for decentralisation are threefold: better matching of public expenditure and services to local preferences; mobilisation of local knowledge on economic potential and costs; and, increased accountability of local governments to citizens. The ad hoc, piecemeal and patchwork approach to devolution in England since 2010 has created highly asymmetrical devolution with different powers and resources between areas. This differentiation has led to complexity, perceptions of unfairness and confusion over where decision-making power is located and who is responsible for what and where. Asymmetrical devolution too has benefits and costs that need to be recognised and managed (Table 2, Appendix 1).

- **Centralisation and centralism** – The UK is amongst the most highly centralised states when compared internationally and centralised governance is most evident in England. The longstanding nature of this centralisation has fostered an entrenched culture of centralism. A ‘Whitehall Knows Best’ perspective has endured and distrust in the capability and capacity of local government has persisted. In 2020, former senior civil servants still express concerns that “Too often, the metro mayors and local government in England are treated as there to be instructed rather than engaged as competent and responsible partners in the good governance of the country”⁴. The limited and uneven devolution of powers and resources to date have not solved the problems of centralised governance including: inefficient resource allocation; under-utilised economic potential; reinforced London-oriented decision-making; and, entrenched spatial economic inequalities.
- **No high profile and senior champion for devolution in government** – Devolution lacks the political support of a senior minister in government. At cabinet level, devolution policy is one responsibility amongst many for a single minister for MHCLG. Within MHCLG, the policy brief is the responsibility of a junior minister.
- **Confusing devolution with local government reorganisation** – Devolution and reorganisation have been unhelpfully muddled in some current thinking. Devolution is a form of decentralisation of powers and resources. Local government reorganisation is reconfiguring local authority structures. In its current form, its focus has been on changing two-tier into single tier or unitary (‘unitarisation’) local authorities and streamlining the system into fewer, larger units. Devolution and local government reorganisation can be aligned and complementary but are not necessarily and positively related.

⁴ Rycroft, P. (2020) “The civil service survived Dominic Cummings. Now comes the hard bit”, Prospect, 18 November.

- **Unproven and/or uneven public support for devolution** – Public demand for devolution in England has not been systematically assessed in recent years. Previous antipathy to devolved arrangements, for example the rejection of the Elected Regional Assembly proposals in North East England in 2004 was nearly two decades ago. More recent public opinion includes BBC polling from 2014 revealing increased appetite for further devolution in England. Public interest and support need further assessment in the current context, especially given Brexit and the pandemic. Evidence such as IPSO/MORI's The State of the State 2020-21 suggests people appear more interested in what devolved government can deliver on the fundamental issues of public services and jobs and the need for more local decision-making beyond national central government. Frustrations with centralisation and remoteness from decision-making have fuelled interest in devolved governance. The national and local government tensions in the response to the pandemic have brought these issues to the fore and led to heightened public attention and interest in devolution.

Lessons learned from English devolution

- **The limits of the ad hoc and piecemeal approach** – This approach since 2010 has created a complex patchwork of differentiated governance arrangements across England. The map of powers and resources differ by area. Each has different funding levels, arrangements and flexibilities. Areas are at different stages in learning how to use their powers and resources and build capacity. This patchwork risks incoherence and falls short of operating as a more coordinated and integrated system. Doing decentralisation in this way raises questions of this kind of devolution's ability to improve decision-making, public policy delivery and outcomes, and achievement of value for money. It also poses questions about appropriate accountability, scrutiny and oversight for the new arrangements. The patchwork risks generating perceptions of unfairness and discontent with existing governance arrangements as demonstrated during the central-local government tensions in response to the 2020 pandemic.
- **Benefits and costs of devolution by deals and deal-making** – The UK Government's deal-making approach perpetuates asymmetry because each deal is a tailored agreement between national and local governments. Deals are the bespoke product of the actors involved in the negotiations. Areas attempting to negotiate and secure deals compare themselves with what existing areas achieved before them and formulate their proposals accordingly. Other areas without deals wait to be called to work up proposals by national government but without any timetable around which to plan. Lack of monitoring and evaluation means the effectiveness of the current arrangements in achieving their objectives is largely unknown. Our assessment of deals identifies benefits and costs⁵. The benefits include: providing a local-centre conduit; local 'empowerment'; vision and strategy-making; encouragement and promotion of innovation; project and programme integration; and, offering a device for local governance reform. The costs include: asymmetric information between the deal-making parties; the

⁵ Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

national government acting as a supporter *and* appraiser of the deals; negotiating power resides centrally; lack of accountability and transparency; uneven and unfair outcomes of political haggles; and, slippage from announcement to implementation.

- **Lack of a coherent and widely supported consensus on devolution** – The ad hoc and piecemeal approach to devolution has undermined consensus-building on devolution. England needs to learn from other countries how to do multi-level governance and public policy design and delivery better involving national, subnational *and* local level institutions. In addressing the patchwork governance system, devolution policy needs to avoid the endemic churn and reorganisation that has characterised subnational governance in England in the post-war period with a pendulum swinging between the regional, local and sub-regional arrangements⁶. These periodic reorganisations have generated instability which has undermined the effectiveness of devolved institutions in governing England, delivering public policy outcomes and value for money, and making people's lives better.
- **Need for improved monitoring and evaluation** – Policy lacks robust and systematic assessment of the difference that the approach to devolution since 2010 does or does not make. There is little evidence of how such devolution has worked in practice beyond evaluations of specific projects and programmes or reviews by particular areas⁷. Micro-level evaluations of specific projects and programmes have been undertaken. The inputs, activities, outputs, outcomes and impacts are relatively easier to measure, shorter term and clear attribution can be established. Assessment of the effectiveness of the overall governance arrangements is much more difficult to measure, longer term and has many influences. International evidence is mixed and inconclusive but suggests the context and conditions of the design, rationale and implementation of decentralisation strongly shape its effects and public policy outcomes⁸. More openness to adapting and learning from international experience should be encouraged as many of the issues of uneven or asymmetrical devolution have been encountered in other countries including Canada, Italy and Spain. The OECD, for example, have published principles for making decentralisation work that could be adapted to the English setting: clarify the responsibilities assigned to different government levels; ensure that all responsibilities are sufficiently funded; strengthen subnational fiscal autonomy to enhance accountability; support subnational capacity building; build adequate coordination mechanisms across levels of government; support cross-jurisdictional cooperation; strengthen innovative and experimental governance, and promote citizens' engagement; allow and make the most of asymmetric decentralisation arrangements; consistently improve transparency, enhance data collection and strengthen

⁶ Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

⁷ Manchester Independent Prosperity Review (2018) The Emerging Impact of Devolution, GMCA: Manchester.

⁸ Tomaney, J., Pike, A., Torissi, G., Tselios, V. and Rodríguez-Pose, A. (2011) Decentralisation Outcomes: A Review of Evidence and Analysis of International Data, Report for the Department of Communities and Local Government: London.

performance; and, strengthen fiscal equalisation systems and national regional development policies to reduce territorial disparities.

Looking forward – central government reform

- **Leading, championing and making the case for meaningful devolution at the national level** – Senior level cabinet leadership is needed to champion and make the case for devolution across government rather than just one government department MHCLG and its Secretary of State, Junior ministers and civil servants. Evidence demonstrates that leadership and commitment from the PM, No. 10, HMT and the Cabinet Office are required to progress the agenda, for example then Chancellor George Osborne’s push for mayors and devolution deals in major metropolitan areas in the early 2010s. In the current context, there is a need to explain and demonstrate devolution’s potentially integral contribution to the Government’s ‘levelling up’ agenda in the economic recovery following the pandemic and Brexit.
- **Establish a new institutional channel for local government input into national devolution policy** – An important and under-developed channel for inputs to devolution policy is between local government and central government. Centralisation and centralism combined with the current patchwork of arrangements and deals in England has made current lines of communication complicated and fragmented. Mayors of Combined Authorities, for example, appear to have acquired national voice beyond their limited formal powers. But the rest of local government has relatively less voice, especially in areas without additional devolved powers and resources. Their interests and issues are largely expressed through their collective associations as a whole (i.e. the Local Government Association) or as particular types of local authority (i.e. London Boroughs, Metropolitan Districts, Shire Counties, Shire Districts and Unitaries) as well as through relations with the local MPs. Local government input at the centre needs defining and strengthening as part of devolution. Such a channel needs to acknowledge local government is a diverse sector with views differentiated by type, political leadership, location, financial condition, and other factors.
- **Introducing ‘devolution by default’** – Directly to counter continued centralisation and centralism, ‘devolution by default’ would entail national government departments and other bodies being required to justify why a centralised rather than decentralised approach is preferable and more efficient and effective in delivering public policy outcomes and value for money. Several national government departments – including DfES and DWP – have effectively operated ‘centralisation by default’ approaches and resisted devolution initiatives over many decades. Challenging this approach and demonstrating the value of devolution are key to progress devolution in these high expenditure public policy areas.
- **Improving Government and Whitehall’s geographical understanding and institutional architecture** – Each and every public policy has geographical expressions and implications. Some policy is explicitly spatial such as regional and urban policy. Yet some ostensibly ‘non-spatial’ policies are inherently

geographical including defence, innovation and science, and welfare. The problem is that the spatial implications of some policies are recognised and managed, while others are ignored. Improved geographical understanding would help remedy Government and Whitehall's 'spatial blindness' in key policy areas. Changing the geography of the state is a related part of geographically dispersing its institutions and encouraging better connections and deeper understanding of "the needs and aspirations of populations outside the metropolitan centre"⁹. Historically, public sector dispersal has been used to improve Whitehall's spatial sensibility and again this is being touted as part of the current Government's 'levelling up' agenda. There is also the potential to build upon and learn from past attempts to strengthen geographical understanding of public policy, for example the 'Improving Whitehall's Spatial Awareness' initiative¹⁰.

- **Providing capacity building support** – Additional resources are required to help subnational governance actors build knowledge, capacity and skills effectively to exploit the potential of devolution for delivering better public policy, enhancing its outcomes and making people's lives better. There is a precedent for such initiatives in the various capacity building funds provided to LEPs following their establishment after 2011.

⁹ Rycroft, P. (2020) "The civil service survived Dominic Cummings. Now comes the hard bit", Prospect, 18 November.

¹⁰ Hope, N. and Leslie, C. (2009) Challenging Perspectives: Improving Whitehall's Spatial Awareness, New Local Government Network: London.

Appendix 1

Table 1: Forms of decentralisation

| Level | Form | Characteristics |
|-------|-----------------|---|
| Low | Administrative | Administrative functions and responsibilities undertaken at the sub-national levels |
| | Deconcentration | Dispersion of central government functions and responsibilities to sub-national field offices. Powers transferred to lower-level actors who are accountable to their superiors in a hierarchy |
| | Delegation | Transfer of policy responsibility to local government or semi-autonomous organisations that are not controlled by central government but remain accountable to it |
| | Political | Political functions of government and governance undertaken at the sub-national level |
| High | Fiscal | Autonomy over tax, spending and public finances ceded by central government to sub-national levels |
| | Devolution | Central government allows quasi-autonomous local units of government to exercise power and control over the transferred policy |

Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

Table 2: The benefits and costs of asymmetrical decentralisation

| Potential benefits | Potential costs |
|--|--|
| Accommodate diverse preferences for autonomy across regions | Lack of accountability and transparency |
| Adapting the institutional and fiscal frameworks to the capacities of subnational governments | Complexity and coordination costs |
| Advanced form of place-based policies | Lack of clarity for citizens |
| Experimenting | Potential risks of increased disparities (in capacities) |
| Sequencing decentralisation | Secession and autonomy |
| Providing the enabling institutional environment to design territorial development strategies more targeted to local needs | |
| Tailoring solutions for special challenges | |

Source: Adapted from OECD (2019) Asymmetric Decentralisation: Policy Implications in Colombia, OECD: Paris.