

How can we improve England's governance structures? Views from the north

Summary of a private roundtable

Introduction

This roundtable brought together a select group of policy makers and experts from across the north of England to debate the purpose and design of English devolution. The discussion will inform the work of the **Institute for Government / Bennett Review of the UK Constitution**, which is exploring ideas about governance and constitutional reform in all parts of the UK. The roundtable allowed the project to consider voices from the north of England and capture the country's full range of expertise, feeding into a recent report on English governance (*Devolving English Government*) and a landmark final project report on the state of the UK constitution.

Background

Since the dismantling of New Labour's regionalist agenda in the early 2010s, the historically turbulent process of English devolution has seen a decade of rapid change, with a particular focus on the north of England. Successive governments have offered different proposals for the 'middle tier' of government in England, regularly rewiring central–local relations. Shifting geographies and England's uncertain position within the wider union have further complicated this.

The 2022 *Levelling Up* white paper has offered a new framework for devolution, but there are questions about its adequacy, and doubt about its survival in an era of political instability and impending austerity. As the future of English devolution hangs in the balance, now is an important time to take stock and consider the longer-term future of subnational governance in the north of England.

In debates about how England should be governed, there is a common dividing line between two concerns: on the one hand, there are policy-focused questions about economic development, public policy, service delivery and efficient governance at the local level; on the other hand, there are constitution-focused questions about the structure of the political centre, state accountability to citizens, the representation of territorial identities and the future of the union.

This discussion sought to focus on these and other questions. The following three questions were discussed:

- What are the problems of devolution in England?
- What changes are needed for devolution in England?
- What is the future of devolution in England?

What are the problems of devolution in England?

Working between central and local government remains reliant on individual relationships

Local government in England is reliant on a good relationship with government departments in Whitehall. Often when mayoral combined authorities (MCAs) and central government work well together it is due to good individual relationships with senior officials or ministers. There is a culture of bilateral deal making between central and individual local authorities, rather than established systems for co-operation.

Some participants noted that relationships between local government and the centre of government are affected by those within Whitehall. Often the relationship between the department that local authorities are speaking with and the Treasury can shape what is possible at local government level. Some noted that this could make their work more difficult, and that other departments can use the Treasury as an excuse to say no to requests for funding.

There is a lack of understanding of local government at the centre of government

As the metro mayors remain a relatively new form of governance, there is often a lack of knowledge and understanding in Whitehall of MCAs. Some participants identified the higher turnover of jobs in central government as a possible cause of this and noted that while many senior civil servants in local government have experience working in the central UK government, the opposite is not common.

Many services remain too centralised

Participants noted that many services that could be delivered at a local level remained un-joined from local government, and that this damaged both outcomes and popular buy-in for devolution. Examples of this included Jobcentres Plus, regional school commissioners and housing policy. It was argued that this centralisation damaged local accountability, and along with privatisation had led to central government often being left without the flexibility or capacity to affect policy outcomes at the local level.

There is inadequate financial flexibility for MCAs

Most MCAs do not have a budget, but instead money in the form of grants from central government to spend on specific initiatives. There is no fungibility of this money, so authorities cannot choose to spend it in a different area. Participants identified this as an issue and noted light rail and drug prevention as two areas where this has had a negative effect.

This also affects public perceptions of devolution. Local politicians can be criticised for policy areas for which they have no spending power. MCAs cover almost 50% of England's GDP and yet are responsible for around 1% of spending.

Responsibilities can be overlapping and unclear

There is also a lot of overlap in different responsibilities across England. Regional responsibilities for policing, fire brigades and the NHS all have overlapping geographic areas. This can make it harder for local government to work. Participants noted that greater coterminosity (making the geographic boundaries of regional services overlap more) could help the work of local government. Negotiating the existing territorial complexity is a major challenge for local leaders. Participants raised concerns about the 'fragmentation' of governance at the subnational level, with powers, budgets and responsibilities spread across many different agencies.

What changes are needed for devolution in England?

Central and local government need better agreement on what services should be local and what should be national

Some participants argued that there is a need for both central and local government to decide which services are best executed at a national or a local level. One example given was health: prevention is an area that is better done at the local level, while care for people who are sick works better through the NHS. Improvement is about how tiers of government work together, rather than simply about the devolution of powers.

Rebuilding central–local relationships

Participants agreed that central and local government should work to foster greater mutual understanding of one another. Better relationships and understanding were argued to be a route to making more positive change at the local level.

Some of the suggested routes for better understanding included fostering more capacity at the local level to lobby central government, giving local government more input into changes made at the centre of government and a staff college for local government. Some attendees also noted a direct relationship with the Treasury as a way to strengthen central–local relationships, without using other departments as intermediaries.

More flexibility of funding

There was agreement that central government should consider how funding was allocated at the local level. Participants agreed that the Treasury could do more to support the capacity of local government, especially in the area of social care. Some participants also argued for greater fungibility of resources, and greater discretion in the spending of MCAs, to allow them to deliver better services for local people.

Devolved governments can improve how they demonstrate their achievements

For devolved government in England to take on more responsibilities and defend its position, there is a need to demonstrate the achievements of devolution. Participants noted that there is sometimes a tendency for devolved government to be defensive, but that there was space for a more positive approach. Devolved government needs to take a more proactive approach to building up an evidence base of its achievements, both economic and social. It was noted that turnout in local elections is a good measure, but that the pandemic has hampered this.

MCA's can strengthen their accountability to parliament

Participants agreed on the need for an accountability framework for local government. As there is no legislature at the MCA level, or an English parliament, then accountability has to go through the UK parliament. If greater changes like those outlined above are to be made, then the relationship needs to be strengthened through formal accountability for MCAs to the centre of government. Another upside of parliamentary accountability would be for changes to local government to go through parliament rather than through ministers via secondary legislation.

There are previous initiatives, such as the adult education budget, that show the kinds of political scrutiny required for MCAs to be able to take on more powers. One other option raised was a form of MCA peer review, where they could provide scrutiny to one another.

What is the future of devolution in England?

Devolution within England is self-reinforcing

Devolution is still relatively new in England, but it has established itself as a model for governance in England. It remains imperfect and the form it will take will remain iterative. Different MCAs can learn lessons from each other and, over time, areas can learn what works best for them. Devolved government will grow in its maturity with time. But this process of learning and development will require investment in the organisational capacities of MCAs and other devolved institutions.

Like with devolution among the other nations of the UK, there is no constitutional entrenchment for English devolution. It is only reinforced by longevity, which will protect it and help prevent constant reforms. Over half of the population of England has voted for a mayor. This democratic legitimacy will help to strengthen the position of MCAs across the country.

There is no clear shape that devolution will take across England

Participants agreed that English devolution should remain voluntary. Not every area will want devolution, and even then, the powers that local areas want to take at the local level will differ. Panellists also noted that there are areas of England that do want devolution but are not yet at the negotiating table.

Some areas with devolved powers were given things that they did not ask for, and others did not receive things that they did ask for. Some participants noted that a fear of missing out

may have led to some areas taking on powers they did not need. Devolution in England is continuing to develop, but not all areas will want or need the same things.



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