

DEVOLUTION:

A DISCUSSION PAPER FOR CPRE

BY LILLIAN BURNS



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FOREWORD

With the exception of Brexit, the UK government's devolution agenda for England - which officials describe as "fundamentally changing the way England is run" - is the most significant political process influencing CPRE's work as we think about our Strategic Plan for 2017-2020.

In light of this, we were delighted when Lillian Burns, Vice Chair of CPRE North West, offered to produce an impact assessment of the impact of devolution on CPRE's work. I am sure you will agree that Lillian has produced a thought-provoking and timely "think piece" on some of the challenges ahead.

In principle, CPRE supports empowering local communities – our 2026 Vision aspires to a future where "most decisions on land use are taken locally". However, as Lillian outlines, there are a range of concerns about how devolution is currently being carried out, particularly in relation to transparency, accountability, and stakeholder engagement. The high degree of complexity involved, and the fact that each devolution deal is unique, presents further challenges for civil society. The devolution agenda has simply not been subjected to the degree of scrutiny that its importance warrants.

As Lillian outlines, policy areas that can be devolved from central and local government to Combined Authorities include transport, strategic planning and housing. Given the centrality of these issues to CPRE's work, we need to understand the devolution process and assess its impact. In the meantime, there is the increasing influence of Local Enterprise Partnerships to consider, not least their ability to make funding decisions based solely on economic growth, and their overall lack of accountability.

There is a growing recognition within CPRE that we may need to adapt our ways of working in order to engage effectively with devolved authorities, particularly in response to changes in county structures. This is likely to necessitate greater collaboration between different parts of CPRE.

There is a real danger that whatever model of devolution is adapted in different parts of England, the implications for rural areas will be overlooked in the drive for development through urban-based growth. I believe everybody in CPRE has a crucial role to play in ensuring rural and environmental issues are at the heart of a more devolved system of government.

As Lillian consistently points out, the first step in taking that role is gaining a common understanding of what is happening on the ground, and what the potential implications are. Of course her assessment naturally generates as many questions as it does potential answers, but I am sure you will find her contribution very useful as we collectively strive to influence this complex and fast moving agenda for the benefit of the countryside we all hold dear.

Finally, a huge thank you to Lillian, who has worked tirelessly over the last few years to keep CPRE informed on this crucial issue. Your knowledge and attention to detail is an example to us all.

Tom Fyans
CPRE Campaigns and Policy Director
June 2016

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PREFACE

This impact assessment was generated by the **Campaign to Protect Rural England (CPRE)**¹ to throw some light on and open up debate about the government's fast moving devolution of powers agenda in England which will have very far reaching consequences. It queries whether the end result is likely to be a neatly assembled jigsaw made up of empowered communities forging their own future or a fragmented, ill-fitting and largely incomprehensible scene that communities struggle to understand and can't influence. It follows on from an initial devolution paper produced by a CPRE working group. (Appendix 1).

As it has become apparent there are two levels of devolution taking place, it is hoped this paper will stimulate thinking and discussion within Town and Parish Councils as well as within and outwith CPRE. More Parish Councils than not are members of CPRE and many CPRE members are Parish Councillors.

The UK government's devolution agenda in England is being pitched as bringing greater spending powers and control over decision-making to a more local level. A laudable concept that is easy to support in principle – but is it what it seems? What does the setting up of non-elected Combined Authorities mean to non-governmental organisations (NGOs) which interact with government at different levels, to the first tier of local government (Local Councils) or to the average citizen?

To date 'devolution', from a Parish Council perspective, has largely meant being 'invited' to take over services, buildings and responsibilities from principal authorities that neither local government level are statutorily obliged to support. Despite many smaller Parish Councils feeling insufficiently-resourced to take on these burdens, most have been doing so for fear of losing the services or buildings or pieces of land from community use. Above that level, there is the devolution of powers to principal authorities from central government. The new parlance for the two is '**double devolution**'. Speaking at a joint conference on devolution for principal authorities and Local Councils, John Connell, Department for Communities & Local Government Deputy Director said: *"Government wants to devolve more [to principal authorities] and see more devolved from principal authorities"*.

The higher level devolution agenda ignited following a promise made by the prime minister, David Cameron, in September 2014 after the Scottish Independence Referendum. Since then, things have been moving very fast. Too fast for many to make sense of, especially in view of the piecemeal approach. And this has been occurring at a time when principal authorities are under enormous financial pressures, a scenario that has prompted many to share officers and services. We are, undeniably, in the middle of a local government revolution affecting organisational structure, borders and powers but – unlike the last time this occurred on a national scale in 1974 – there is no common matrix, not for conurbations or rural areas or anywhere.

CPRE sets out what has happened thus far, looks at the 'devo deals' to date, assembles opinions from a number of commentators, attempts to make an assessment of what the outcomes and implications might be and to recommend what moves NGOs and Town and Parish Councils might consider making.



Campaign to Protect Rural England

www.cpre.org.uk

CPRE is a company limited by guarantee, registered in England, number 4302973.

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¹ The Campaign to Protect Rural England (CPRE) is a non-political charity that campaigns for a beautiful and living countryside and for 'Smart Growth' (see Appendix 2). It exists for the benefit of the nation and is concerned with land use across England, urban as well as rural. Our campaigning is evidence-based, reasoned and authoritative. We are experts in the planning system at all levels – local, sub-regional, regional, sub-national and national.

INTRODUCTION - Setting the Scene

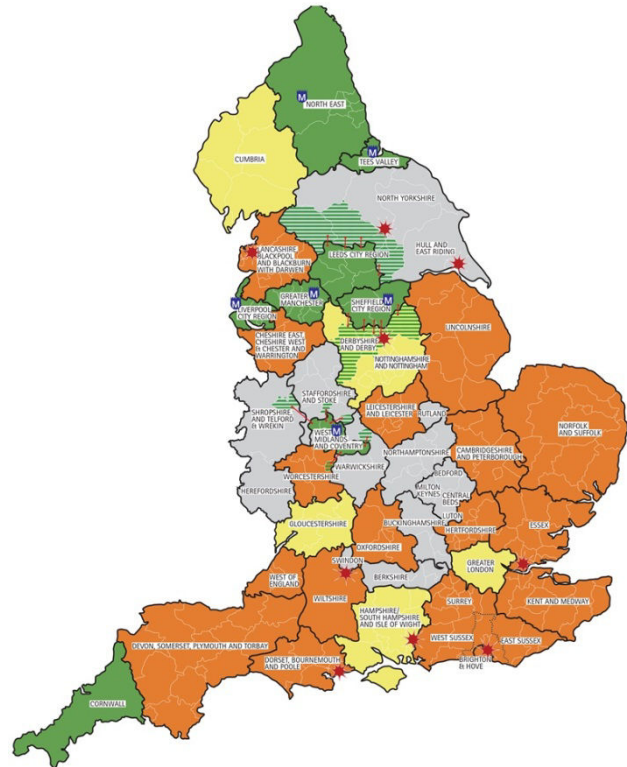
A seismic shift is underway in local government and yet awareness is very low, even amongst Local (ie. Town and Parish) Councils – most of whom have not ‘clocked’ that they are part of a ‘double devolution’ revolution. It is even lower amongst wider stakeholders and the general public. This is partly due to the gradual and patchy transfer of services from principal authorities to Local Councils and partly due to the distance away from the local level that Combined Authorities (CAs) ² represent, but also due to the spasmodic way that CAs are being established and the dearth of publicity and consultation to date.

Central government undoubtedly sees its devolution deals to CAs as supporting its localism promises but the National Audit Office describe them as ‘experimental’ and it queries their accountability in its April 2016 report on English devolution deals³. And the NAO March 2016 report on Local Enterprise Partnerships (LEPs)⁴ says it is unclear where LEPs fit into the devolution landscape (para. 8)⁵.

A hugely complex picture has been unfolding and is still far from complete. It has not been helped by the fact that some Local Authorities lie within more than one LEP area and yet they have been required to work with the LEPs and come forward with joint devolution bids. On the other hand, there was no requirement for other stakeholders to be involved or for the bidding processes to be transparent. The original CA bids that were lodged with government were illustrated by Local Government Chronicle in their December 2015 edition (see right). Many of these have changed since and new ones have emerged (see fig. 1, page 32).

Even where CAs initially appeared to have been agreed in principle, not all are on a steady course. Earlier on, even some District administrations and leaders claimed they had not been properly consulted, let alone many ordinary principal authority councillors. Meanwhile, most of the devolution deals that have progressed are happening in fits and starts and out of the public view and all are different from each other.

Local authorities all over the country are now debating the devolution revolution. The majority are involved with bids in order to acquire more powers – although not without major problems and a lot of falling out between all parties concerned. For instance, Derbyshire County Council at one point threatened to take Chesterfield District Council to court for throwing its lot in with Sheffield City Region rather than with a North Midlands devo deal. In some areas MPs have been accused of trying to impose their will. There have also been recriminations from Counties and Districts that many civil servants simply do not understand how local government works, especially in two-tier authority areas.



² Combined Authorities (CAs) comprise two or more local authorities bound into a legal entity.

³ <https://www.nao.org.uk/report/english-devolution-deals/>

⁴ Local Enterprise Partnerships (LEPs), which have access to European Union and other funding, were set up in 2011 to perform some of the functions of the former Regional Development Agencies (RDAs) but with far less prescription for their operating procedures. The boards comprise business people and local authority leaders, who are in the minority.

⁵ <https://www.nao.org.uk/report/local-enterprise-partnerships/>

To add to the general melee, some two-tier LAs are debating the option of becoming Unitaries and, increasingly, all types and sizes of Councils are sharing more and more services and staff at all levels. A prime example of the latter is the chief executive of Peterborough City Council, Gillian Beasley, also becoming the chief executive of Cambridgeshire County Council.

Whilst the earliest conurbation deals – in Greater Manchester, Sheffield and Liverpool City Region – and also the first county one in Cornwall appear, on the face of it, to be off to a flying start, it would be fair to say that even they are not without strains and many other deals are provoking much discontent and disagreement. That said, this is all new territory and everyone from central government departments downwards is on a steep learning curve. This being the case, 'devolution' is proving to be the popular subject matter of the moment for conferences and workshops aimed at local government officers and elected members, where various experts are speculating about merged functions on the sub-regional scale and resulting cost savings and efficiencies.

For those involved with the establishment of new Combined Authorities (including the LEPs), and particularly for those hoping to become mayors of the CAs, it must feel like a hugely exciting time. Especially as, going on at the same time as all of this, the LEPs and local authorities across England have been submitting their first bids to the Department for Transport's new £475m. 'Large Local Majors Fund'. Sceptics, meantime, are questioning if the devolution of powers has been thought through sufficiently, particularly in relation to the empowerment of the non-democratic LEPs – now in charge of £billions.

The Local Government Association (LGA), which represents principal authorities, and the National Association of Local Councils (NALC), which represents Town and Parish Councils, have both lobbied government for years for more powers. Now they are coming their way, but with token transitional funding. So, they have to ask themselves, can they make it work? Are they up to the challenge?

The great majority of the population are not yet following what is happening other than possibly being aware of proposals for mayors with more than ceremonial roles and the fact that local authorities are shedding themselves of responsibilities they are not obliged to provide. They may have heard mention on the news of a 'Northern Powerhouse'. But not many will know that a body called 'Transport for the North' has now been inaugurated or that local authorities beyond the originally-conceived 'Northern Powerhouse' geography are pushing to be part of it, even though it is not yet clear what the 'Northern Powerhouse' is.

There is certainly a great deal that needs to be done yet to raise awareness of the sub national and sub regional governmental changes in train and the likely impacts at the local level. Consultation is starting to occur more widely but there are still mountains to climb in terms of real stakeholder involvement. How, for instance, can the Third Sector including national non-governmental organisations (NGOs) such as CPRE hope to have a real voice in the new set-ups? And how can Local (Town and Parish) Councils be more involved? They ought to be, because the changes in the pipeline are going to have impacts on them and all local communities, whether parished or not.

But, in order for any national NGOs or local governmental, or non-governmental bodies for that matter, to hope to have a say, they first of all need to understand what is happening. This paper makes some attempt to explain where matters stand half way through 2016.

POLICY CONTEXT, OPERATIONAL STRUCTURE & POWERS

Government funding for principal authorities has been decreasing in real terms for five years and council taxes have been capped. Principal/Local Authorities have dealt with this period of austerity, which is expected to last for some years yet, by often sharing the delivery of both front line and back office services with neighbouring Councils and by divesting other services, buildings and open spaces they are not statutorily obliged to provide or maintain. Some assets and services have gone to arms-length or external entities, some have been sold off and others are being gradually handed over to Local Councils or, in a few instances, to local enterprises. Now some LAs are actually coalescing eg. Suffolk Coastal and Waveney District Councils. More are bidding with neighbours to become Combined Authorities (CAs). The LGA in particular has been very vocal on behalf of its members in supporting devolution to sub regions, a move it believes will deliver massive savings.

The enabling legislation for CAs, comprising city, two-tier authorities and/or unitaries has been:

- 1) **The Local Democracy, Economic Development & Construction Act of 2009** which made it possible for two or more Local Authorities (LAs) to coalesce if they so wished and to have a directly elected mayor. It also allowed the establishment of Economic Prosperity Boards. It is under this Act that the Greater Manchester Combined Authority (GMCA), the first of its type outside London, was set up in November 2014. The conurbation already had a long history of the 10 constituent metropolitan boroughs working together as the Association of Greater Manchester Authorities (AGMA) and employing joint officers.
- 2) **The Localism Act of 2011** placed on local authorities a 'duty to co-operate' with neighbouring authorities, introduced a 'general power of competence' - allowing them to do anything an individual can do which is not illegal - and provided more definitions for the role of mayor.
- 3) **The Cities & Local Government Devolution Act, enacted in January 2016**, put in place legal orders and removed previous restrictions on functions that could be devolved from central government, eg. health, social care and criminal justice responsibilities are now biddable for. The Act offered the option of merging the roles of mayor and police & crime commissioner, required that the mayor appoint a deputy from within the CA and allowed the CA to precept for mayoral functions. A late amendment to the Act enabled district and county councils to force through reorganisation without the agreement of their neighbours. Another gave the Communities Secretary the power to strip counties of their responsibility for services such as transport if districts decided to join a combined authority outside the county.

Negotiations on the devolution of powers from central government to Combined Authorities are being led by a team of seven officials from HM Treasury and the 155 strong Cities and Local Government Unit, a joint unit of the Department for Communities and Local Government (DCLG) and the Department for Business, Innovation and Skills (BIS). However, the lack of explicit guidance has proved problematic. LAs have asked for guidance but the government has said that the impetus must come from the principal authorities themselves. So, it has caused no end of friction that some Combined Authority bids have stalled or been turned down for reasons not initially stipulated such as population size or cross-border complexities.

Additionally, the government initially indicated that – whilst it favoured there being elected mayors in Combined Authorities – it was not an essential component. Cornwall, an early and successful bidder, achieved a deal without one. But subsequent bidders have had much more pressure put upon them to accept a mayor and powers for them have been extended. Elections for the posts of CA mayors will take place in 2017 – although Greater Manchester already has a shadow one in place in the form of its Police & Crime Commissioner whose appointment by city leaders (not the public) was much criticised.

Another complicating factor has been the outcome of the local elections that took place on May 5th, 2016. These brought some leadership changes in key devolution cities such as Bristol and Coventry. They also demonstrated a low level of interest in the post of Police & Crime Commissioners. This is giving the government some headaches as to how to generate more interest in the CA mayoral elections next year.

THE EVOLVING SCENE AND INEQUITIES IN FUNDING AND POWERS

The government has not been prescriptive in embarking on devolution in England. It has not restricted Combined Authority (CA) bids either to Unitary Authorities or to two-tier local authority areas or prevented a combination of the two coming together. Nor has it defined what areas of responsibility can be bid for, (only a few that cannot), nor produced any organisational or financial template that should apply.

It also, originally, did not seek to define which areas should combine with other areas. Having announced deals with Greater Manchester in November 2014 and Cornwall (a single unitary) in July 2015, it simply invited all other local authorities (LAs) to form their own allegiances and come forward with proposals by early September 2015, giving them just eight weeks to do this. One of the few governmental stipulations was that all LAs, in pulling their bids together, must work with their LEPs.

Between 30 and 40 combined bids were received by the deadline, but LAs and LEPs unable to get their acts together within the very tight timeframe have not subsequently been prevented from pressing on with devolution negotiations. Of those that made the deadline, some have since morphed into different entities, either as a result of re-negotiations at the local level or as a result of belatedly imposed restrictions from government. Others have perished. A number have come to grief over the government's increasing insistence on mayors.

The CAs in the East of England have had a particularly problematic gestation. Both Norfolk and Suffolk met the original deadline and submitted separate bids to government comprising the County Councils and the District Councils within them. They were then told that their populations were too small and they must work on a combined bid. This, although there were no population parameters set when the bids were invited. They did what was requested of them. Then were they asked to work with Cambridge and Peterborough City Councils and Cambridgeshire County Council. This arrangement was not bought into by Cambridge City Council. The latest incarnation, therefore, has been a step back to the previous stage (see page 28).

Commonalities & Economic Complexities

Whilst there are differences in the specific functions and terms of each devolution deal, common themes have been emerging. All 10 deals announced as sealed or agreed in principle as of March 2016 involved the CAs taking on substantial responsibilities for areas of transport, business support and adult education. Although a pan-East Anglian deal did not proceed, the two CAs into which the area has divided are understood to be bidding for similar powers. Nine of the first 10 deals (Cornwall is the exception) encompass taking on spatial planning powers. This means that, in due course, they will set about preparing statutory sub-regional planning documents like Greater Manchester.

Some commentators have described the Cities & Local Government Devolution Act as a regeneration investment tool as it allows CAs to do what they think is best to enable economic growth in their area and it gives them greater freedoms over how public money should be spent. But this raises questions about how well geared local government is to having this business-orientated role. For instance, most LAs have endorsed their LEPs' Strategic Economic Plans (SEPs) without detailed scrutiny though they consist of many aspirational projects. These plans were not subjected to strategic environmental appraisals (they were not required to be) and therefore pay little or no heed to likely environmental consequences and none to environmental limits. (CPRE is compiling a report on the LEPs Strategic Plans, 'Growth Strategies Blind to Environmental Limits').

What is becoming apparent is that there is so far little new, transitional money is coming from government with the deals. That said, proponents of CAs argue that they will save money.

Alongside the 10 devolution deals declared, the government committed new investment funding of £246.5m p.a., a total of £7.4bn over a 30-year period. (This includes Greater Manchester's existing 'Earn Back' arrangement). These figures might seem significant but the deals worked out at £30m p.a. each for six of the CA deals - East Anglia, Greater Manchester, Liverpool, the North East, Sheffield City Region and West of England - with the West Midlands receiving just a little more at £36.5m p.a. , and the two CAs of Greater Lincolnshire and Tees Valley each receiving £15m. (See Table 1, next page). Since these sums were announced, the East Anglian bid has reverted to earlier pairings of Norfolk and Suffolk and Cambridgeshire and Peterborough and are not included in the tables.

According to the Municipal Journal, the management journal for local authority business, the transitional government funding was only promised after lobbying from the Local Government Association. But the source of that funding has now itself become contentious. The MJ lead story in their May 26th edition says:

Watchdog to probe final funding deal

Auditors are poised to probe a last-minute governmental decision to gift some councils £300m transitional funding over the next two years, The MJ understand.

Communities secretary Greg Clark announced the extra money in February to 'help councils transform from dependence on central government grants to greater financial autonomy' after extensive private lobbying from the Local Government Association.

Sources have suggested the National Audit Office (NAO) will hold a 'short and factual' investigation looking at where the transitional funding came from and the Government's allocation methodology.

The MJ, front page exclusive by Dan Peters, May 26th 2016

In funding terms, there seem to be some stark inequities in the devolution deals that have been done to date. For instance, the Cornwall deal did not involve any new investment funding and yet all the other nine were originally, between them, to share the additional investment sum of £246.5m. (This is the figure the NAO based their calculations on prior to the East Anglian deal collapsing). In terms of new money per capita, it would appear that the West of England and the West Midlands have fared best and Greater Manchester the worst. Yet Greater Manchester have taken on by far the greatest number (and breadth) of new powers and are still exploring more (see Table 2 on next page).

COMBINED AUTHORITY	POPULA- TION IN MILLIONS	TRANSITIONAL ANNUAL DEVOLUTION FUNDING (£MILLIONS)	ANNUAL PER CAPITA DEVOLUTION DEAL FIGURE £
Greater Lincolnshire	1.0	15.0	15.0
Greater Manchester	2.8	30.0	10.7
Liverpool City Region	1.5	30.0	20.0
North East C.A.	2.0	30.0	15.0
Sheffield City Region	1.4	30.0	21.4
Tees Valley	0.7	15.0	21.4
West of England	1.1	30.0	27.5
West Midlands	2.8	36.5	27.3
TOTAL	15.6	216.5 ⁶	

Table 1: Inequities in devolution deals
(Basic data taken from NAO 'English Devolution Deals')

⁶ NB This figure is minus the £30m originally allotted to the East Anglian deal which has not come fruition.

	CORNWALL	GREATER LINCOLN-SHIRE	GREATER MAN-CHESTER	LIVERPOOL CITY REGION	NORTH EAST	SHEFFIELD CITY REGION	TEES VALLEY	WEST MIDLANDS	WEST OF ENGLAND
Business Support									
Growth Hub									
Productivity Commission									
Manufacturing advice									
Export advice									
HMRC customs									
Criminal Justice									
Commissioning of services		Being explored		Being explored					
Youth justice		Being explored						Being explored	
Employment support									
Work/health commissioning									
Work/health pilot programme									
Universal Credit pilot									
Further education									
16+education									
Apprenticeship grants									
Early yrs. pilot									
19+ skills funding	Being explored								
Health/social care									
Integration of health/soc.care	Being explored	Being explored		Being explored					
Local health commission									
Planning/public assets/housing									
Developmt. Corp.									
Housing Investment Fund				Being explored		Being explored	Being explored	Being explored	
Land disposal & utilisation									
Spatial planning									
Police & Fire									
Mayoral responsibility		Being explored						Being explored	
Transport									
Bus franchising									
Smart ticketing									
Rail									
Roads		Being explored							
Water/coastal management									
Integration									

Table 2: Combined Authorities' new powers and responsibilities (Basic data taken from NAO 'English Devolution Deals')

As is apparent from Table 2 on the previous page, Greater Manchester has taken on the greatest number of new responsibilities – a total of 21. Greater Lincolnshire and Tees Valley have agreed to adopt the least so far – a total of 11 each. The West of England and Sheffield City Region are taking on next to the least at 13 new powers each. Yet, as is evident from Table 1, the West of England has come off best on a per capita basis, ie. £27.5. Sheffield also does very well at £21.4 and yet the equivalent figure for Greater Manchester is £10.7. That said, it is accepted that this is a simplistic way of considering the funding and a spokesperson for the DCLG has pointed out that each deal is individually negotiated. This bespoke approach continues with the deals still being struck, which are based on a variety of factors including the extent of proposed local governance reform, the local economic profile and the degree of ambition demonstrated to drive growth.

There are any number of financial implications yet to be sorted out, eg. the retention of business rates. Some areas are being promised the retention of additional business rate growth beyond expected forecasts, while Manchester and Liverpool are to pilot retaining all their business rates from next year. But this is not the panacea it seems. Currently both Greater Manchester and the Liverpool City Region receive more from the revenue support grant which they would lose under this arrangement. As mayor-led CAs, they would be allowed to raise business rates by up to 2% to support local infrastructure projects but only *if* their LEPs agree. This still leaves a lot of uncertainty in terms of income, especially as the way that business rates are calculated is due to change in April 2017 to a formula likely to result in an overall reduction in income from them. There is also a promise of CAs having an enhanced role in managing the European Regional Development Fund and the European Social Fund.

The government has said that, in due course, it will combine a number of funding streams into one 'pot', the Single Investment Fund. This will include the consolidated local transport budgets as well as any additional funding awarded via the mayors' offices. In addition, where CAs are forming, the LEPs are being encouraged to pool their Local Growth Fund allocations (awarded through a competitive process) into the Single Investment Fund, but it is their decision whether to do so or not.

There has also just been a round of bidding by LEPs and LAs for the Department for Transport's new £475m 'Large Local Majors Fund'. (What constitutes a major scheme depends on the area - £75m for many but only £22m for Buckinghamshire). But, as is so often the case with these funds, it is not actually new money and a large proportion is already accounted for.

The fund, announced by the Chancellor last autumn, was created by ring-fencing part of the Local Growth Fund. Some £151m of it was awarded in March to Suffolk County Council for two new road schemes (the Ipswich Wet Dock and Lowestoft Third Crossing), leaving £324m available for competitive bidding. That said, it should not be forgotten that, in the run-up to the General Election, the Chancellor promised to deliver Cornwall's St. Austell to A30 Link Road (there are two main options costing £41.3m and £63.8m), Devon's North Devon Link Road (heading southwards from the M5 junction 27, not yet costed) and Hampshire's Chickenhall Lane Link Road (roughly estimate: £120m).

Criticisms and the counter arguments

The point here being that, in real terms, the amount of new money potentially available to local authorities does not appear to be significant, with or without CA status. This is prompting criticism such as this from Jim McMahon, M.P., former leader of Oldham Council, (one of the 10 Greater Manchester Metropolitan Boroughs). Addressing a local government All Parliamentary Group meeting in May, he said that - whilst he believed devolution was the "*best idea*" for the economy – there was a danger of it "*being built on weak foundations*". He claimed there was a lack of consistency of approach across government.

Similar criticisms were made to the House of Lords Constitution Committee during their investigation into 'The Union and Devolution' which took evidence from 66 sources. Witness Dr. David Broom of Bath University described the approach as "*a classic British ad hoc muddle*" with "*no coherence*" (a viewpoint also held by Dennis Reed, former Local Government Information Unit chief executive). But Local Government Association Chair Lord Gary Porter spoke against a systematic approach, fearing it would lead to "*centralised localism*". Also, Sir Richard Leese, Manchester City Council leader, did not favour a "*one size fits all*" approach.

Explaining the government's aim to the Constitution Committee, Oliver Letwin, Cabinet Office Minister for Government Policy, said the intention was to arrive at an England "*In which there is a great deal more power a*

great deal nearer to the people". Exactly what powers would reside where was something which would evolve. On the subject of mayors, he denied the government was demanding that CAs accept them. He said it was saying to LAs that if they did not wish to accept the government conditions they did not have to take on new powers. However, the committee were critical of what they believed was an imposition of elected mayors and also of the lack of engagement with the public about devolution. Sir Richard Leese agreed Greater Manchester had been found wanting in that area, but they were putting that aspect right.

The Lords Constitution Committee, a cross-party group, examined all 10 English devolution deals to date as well as devolution to Scotland, Wales and Northern Ireland. It produced a report on May 25th ⁷ roundly criticising the *"piecemeal approach to devolution"* which it claimed had *"placed the Union under threat"*. It said further devolution must not be at the expense of the stability, coherence and viability of the Union and it advised that all deals should be subjected to impact assessments.

Another critical recent investigation was the annual PricewaterhouseCoopers survey, 'Local State We're In'. It warned of devolution fatigue and fiscal meltdown. Reporting the results, The Municipal Journal wrote:

Chiefs fear fiscal meltdown ahead

Chief executives have predicted a bleak future for local government, with more than half (56%) fearing financial crisis within the next year, research by consultants PwC has revealed.

PwC's annual 'Local State We're In' survey revealed that only 13% of chief executives felt they could maintain delivery of essential services until the end of this Parliament under the burden of austerity.

The firm also warned of 'devolution fatigue' after the survey revealed optimism about the sector grasping more powers from Whitehall had waned from 33% to just 20% since the general election last year. Although seven in 10 believed they would be part of a combined authority by 2020, just over one in three thought it would have an elected mayor.

The survey revealed almost all (94%) chief executives and leaders thought devolution of skills was essential. However, there was a gap between ambition and capacity with just three quarters believing they could actually deliver a devolved skills agenda.

The MJ, front page exclusive by Sam Clayden, May 26th, 2016.

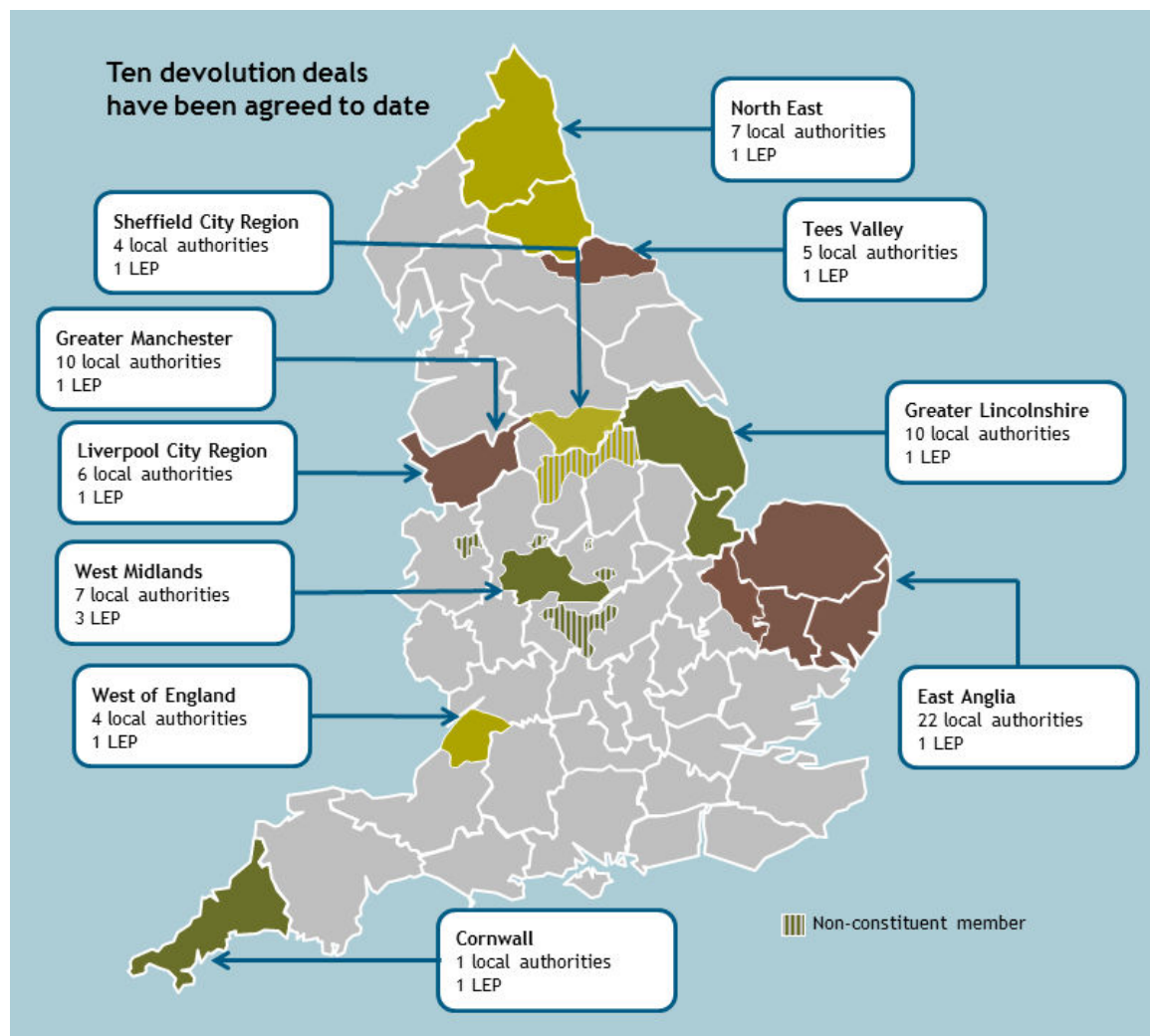
The same article went on to express concerns about CAs taking on health and social care functions, especially if they were not going to devote to these functions the time and people resources they required. In the meantime, there has been little discussion about the new spatial planning powers granted to nine of the 10 CAs currently leading the pack, other than in specialist planning publications.

Now, to add to the prevailing unsettled situation, County Council leaders are calling for an independent Royal Commission into devolution. First of all the Hampshire CC leader, Councillor Roy Perry, wrote to the DCLG formally asking for a commission, Hampshire having become a battleground for opposing camps wanting different options. Then Kent's leader, Cllr Paul Carter, who is also the County Councils Network Chair, called for one when he addressed a joint LGA/NALC conference on devolution on June 1st. He said: *"we're opposed to breaking up historic county boundaries. Central government has a challenge if it wants to tinker with them ... this uncertainty is creating difficulties for relations in two-tier areas. In one breath the government tells district to create super districts. In another it backs a combined authority across counties in East Anglia"*. He complained that the government had not given principal authorities an indication of where it was going next and he added *"Metro mayors have gone down like lead balloons"*.

⁷ <http://www.parliament.uk/business/committees/committees-a-z/lords-select/constitution-committee/inquiries/parliament-2015/the-union-and-devolution>

THE 10 DEALS ANNOUNCED – AND SOME NON-STARTERS

Since November 2014, when the government announced the first Combined Authority deal with **Greater Manchester**, a further nine devolution deals have been announced as agreed – or almost agreed. These are: **Cornwall**, **Sheffield City Region**, the **North East**, **Tees Valley**, **Liverpool City Region**, the **West Midlands**, **East Anglia**, **Greater Lincolnshire** and the **West of England** which are illustrated in the National Audit Office report on 'English Devolution Deals' conducted for the Department for Communities and Local Government (DCLG) and published on April 20th, 2016 (HC 948 session 2015-16). See below taken from page 18 of their report, a report that flags up significant accountability implications arising from the deals that need to be clarified³. But it is indicative of the fast changing situation that the 'in principle' deal for East Anglia no longer exists and Greater Lincolnshire and West of England are teetering on the brink of collapse.



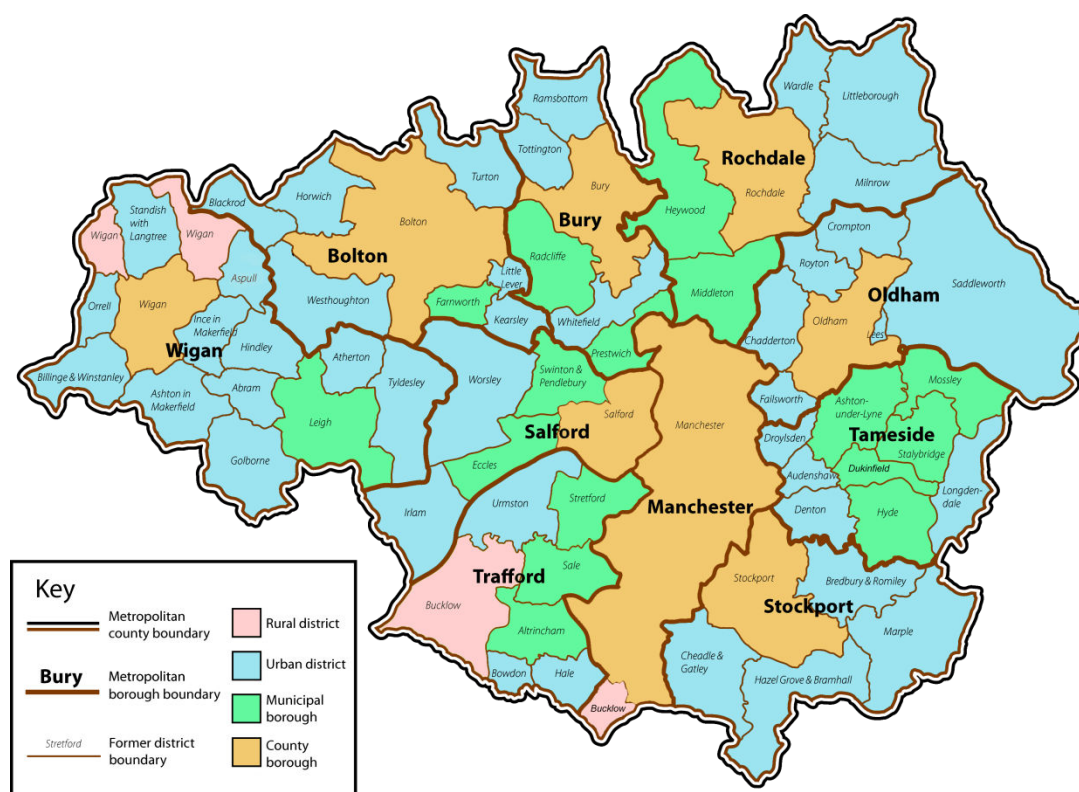
As will be seen from more detailed up-dates later in this report, there are many LA areas struggling to get buy-in. Other LAs are not currently engaging with devolution for one reason or another, eg. **Herefordshire** was hoping for a bid covering the 'Marches' area but it failed to materialise when other potential partners turned towards the West Midlands Combined Authority. **Berkshire's** unitary councils are developing plans that could result in them sharing chief executives and services. **Buckinghamshire's** Districts, Aylesbury Vale, Chiltern, South Bucks and Wycombe, have announced an independent local government structure review after rejecting an invitation to take part in a County Council-led review. And **Oxfordshire's** Districts, which were looking at four unitary authorities, are now working on a three-council option involving a unitary for Oxford City, one for a merged Vale of White Horse and South Oxfordshire and one for merged West Oxfordshire and Cherwell Districts.

A LOOK IN DETAIL AT THE FIRST TWO COMBINED AUTHORITIES

GREATER MANCHESTER COMBINED AUTHORITY (GMCA)

Greater Manchester, the flagship for devolution, has so far agreed no less than five separate deals with government which give the sub-region significant additional power through a mayor who will be elected in 2017. The original announcement about the first deal in November 2014 came as something of a surprise to most people, especially as it included health powers. Subsequent deals were announced in the Summer 2015 Budget, the November 2015 Spending Review and Autumn Statement and in the March 2016 Budget.

The GMCA includes the 10 metropolitan boroughs of **Bolton**, **Bury**, **Manchester City**, **Oldham**, **Rochdale**, **Salford**, **Stockport**, **Tameside**, **Trafford** and **Wigan** which have a 20-year history of working together as the Association of Greater Manchester Authorities (AGMA). The Greater Manchester area covers some 500 square miles (1,295 km²) and has an estimated 2.8 million residents.



The devolution deals, which were agreed in concert with the Greater Manchester LEP, are unlikely to be matched by anywhere outside of Greater London in the foreseeable future. Despite their depth and breadth, however, there was no wider stakeholder or public involvement until after the last deal was struck. Only then was a belated public consultation exercise held, from mid March to mid May, which asked people to say what they thought of Greater Manchester's new powers.

The details of the Greater Manchester arrangements are available from:

<https://www.gov.uk/government/publications/devolution-to-the-greater-manchester-combined-authority-and-transition-to-a-directly-elected-mayor>.

Areas of responsibility involving new powers

In summary, the new powers are:

Apprenticeships

- Control of the Apprenticeship Grant for employers in Greater Manchester. (Currently the government pays employers £1,500 per qualifying apprentice. In future it will be up to Greater Manchester how it administers this scheme).

Blue Light Services

- Transfer of responsibilities currently exercised by the Police and Crime Commissioner and the Greater Manchester Fire and Rescue Authority (which is to be abolished) to the elected Mayor.
- Transfer of some ambulance services.
- A greater role in commissioning offender management services
- Greater influence over probation and rehabilitation
- More autonomy for prison governors
- A more devolved youth justice system and more say over the management of young offenders
- A bigger say in the local courts estate and alternative ways to administer justice

Bus franchising

- The transfer of responsibility from the Traffic Commissioner to the GMCA for:
 - (a) the registration of bus services that operate wholly or mainly within Greater Manchester – to support the management of franchised bus services once introduced and
 - (b) for functions relating to traffic regulation conditions within Greater Manchester
- The ability, along with the Secretary of State for Transport, to make grants to bus operators in relation to services that operate wholly or mainly within Greater Manchester.

The Bus Service Operators Grant and concessionary travel payments will transfer to the Mayor as from April 1st 2017. (Most of the new powers relating to Buses will be enacted through the Bus Services Act).

Business Support

- Greater responsibility for support budgets including the Growth Accelerator and Manufacturing Advice Service. Also, the Greater Manchester arm of the UK Trade and Investment (UKTI) Export Advice will work closely with the UKTI HQ in London to achieve more freedom in how it operates.

Constitution and Governance Issues

- The mayor will have a functional 'power of competence' so that s/he can carry out matters incidental to her/his main role.
- Subject to yet-to-be-agreed terms/conditions, the mayor will be able to appoint a political advisor
- The mayor will be able to exercise functions jointly with other authorities in a joint committee.

Data sharing

- For the purpose of data sharing, where appropriate, GMCA will be treated as a local authority.

European Funding

- GMCA will gain greater influence and decision-making in respect of the 2014-2020 European Regional Development Funds (ERDF) and the European Social Funds (ESF) in Greater Manchester which, together, are worth 413.8m. Euros ⁸. (However, the DCLG and the Department for Work and Pensions will retain responsibility for eligibility checks and for other Managing Authority functions).

⁸ It is unknown how and when this will be affected by the EU referendum vote

Finance

- Introduction of a mayoral precept to support the discharge of mayoral functions and GMCA levy to support non-mayoral CA functions.
- Extension of GMCA borrowing powers to allow it to extend its right to borrow, which currently exists only for transport functions, to all functions.

Also, GMCA and the British Business Bank are to agree a memorandum of understanding setting out how they will work together to assist small and medium-sized enterprises (SMEs).

Further Education

- The ability to reshape and restructure further education provision within Greater Manchester. (There will be a staged devolution of funding and responsibilities over three years).

Highways and Railways

- Responsibility for a Key Route Network, made up of local authority roads.

GMCA is currently drawing up a joint investment programme for its highways network with Highways England and is working with Department for Transport for devolving railway stations.

Health

- Devolution from the government and NHS England of health-related local authority functions and £6bn. of funding to the GMCA, including commissioner status, to be exercised concurrently with the Greater Manchester local authorities. All parties have drawn up a memorandum of understanding which has received support from health trusts, ambulance services and others.

GMCA and the Greater Manchester Clinical Commissioning Groups are now working on a Strategic Sustainability Plan and a joint business plan for the integration of health and social care provision which would bring together 37 different bodies. A transformational fund of £450m. has been made available.

Planning, Housing and Regeneration

- The right to create a statutory spatial framework for Greater Manchester which will overlay the Local Plans of all the 10 constituent metropolitan boroughs.
- the right to establish Mayoral Development Corporations
- The introduction of a Mayoral Infrastructure Levy
- Compulsory purchase powers in line with those held by the Housing and Communities Agency (HCA), plus other housing and regeneration powers to be exercised jointly with the HCA
- Incidental powers relating to the Greater Manchester Land Commission to enable the Secretary of State for the DCLG to transfer to GMCA land held by other public bodies (with their consent) in the same way land can be transferred to the HCA or the Greater London Authority.

Also £300m. of devolved housing loan funds will be made available over 10 years to support housebuilding and the GMCA has been asked to produce a business case for a programme that will bring forward land for housing and employment use. In addition, the government is working with GMCA to see how the social housing asset base could be better utilised and how regulatory reform might improve housing provision.

Work Programme

- Opportunity to be a joint commissioner along with the Department for Work and Pensions for the next phase of the Work Programme.

Functions not necessarily involving new powers requiring close government-CA working

Energy

Greater Manchester already has a Climate Change and Low Emissions Integrated Plan. The Department of Energy and Climate Change (DECC) is working with GMCA to see how best it can be delivered and it is now sitting on the Greater Manchester Low Carbon Hub Board. Joint efforts are underway to try and deliver better outcomes in areas such as energy efficiency, community energy and business energy tax reform.

Public Services Reform and Services for Children

Innovative approaches to delivering public services are being explored jointly by HM Treasury, the Home Office, the Cabinet Office, DCLG and GMCA. One new initiative agreed is the establishment of a Life Chances Investment Fund which brings together into one budget pot, the Troubled Families Programme, the Working Well pilot and the Cabinet Office Life Chances Fund. Also, the government and GMCA are undertaking a fundamental review of how children's services are delivered.

Skills & Employment Support

There has been a promise of much joint working between the Department for Business, Innovation & Skills (BIS), the Department for Education, the GMCA and the LEP to try and improve skills provision, outcomes and opportunities for 16-19-year-olds and between BIS, the GMCA and the LEP to help more adults to progress to Level 3+. There will also be joint commissioning of employment programmes and the GMCA will be working with the Department for Work & Pensions on the problems of the long term unemployed.

Transport

The outcome from work streams on buses, highways and rail stations and smart ticketing across all modes (including trams) will feed into a bid for a Consolidated Transport Budget. The next Spending Review will announce what budget has been granted and the GMCA Mayor will have a consolidated multi-year transport settlement. In the meantime, GMCA, whose transport body is called Transport for Greater Manchester (TfGM), is being urged by government to work closely with **Transport for the North**, the new pan-North of England body which will become a statutory entity by early 2017, and help them deliver the Northern Transport Strategy.

Transport for the North, along with the Department for Transport, launched the Northern Transport Strategy in March 2016. (It did so without the benefit of public consultation and followed it with the publication of a freight strategy – which was also not consulted upon outside the freight industry). The Northern Transport Strategy sets out plans for 'transformational projects' such as 'Northern Powerhouse Rail' and 'Smart North' – a smart ticketing system to help public transport passengers easily switch between trains, buses and trams across the region. It also catalogued commitments to road building in the North, including the upgrading of sections of the M60 - the orbital motorway around Greater Manchester – and reported on the progress of the three strategic road studies underway in the North.

This overlaying of one body on another and one strategy on another is, unsurprisingly, proving to be hugely confusing – even to transport specialists. Critics have complained that the confusion is compounded by the announcement and re-announcement of initiatives, ambitions and schemes under different guises and titles. Not to mention the counting and re-counting of funding streams and money promised for specific projects and the various bidding processes for European money and for DfT money. For instance, there are two rounds to the bidding for the 'Large Local Majors' Fund. The first deadline was the end of May and the results of that will be announced by the summer parliamentary recess and the second has a deadline of July 21st and decisions about that will be announced around the time of the Chancellor's Autumn Statement. And the money will be released over a period of five years.

THE GREATER MANCHESTER SPATIAL FRAMEWORK (GMSF)

While all the other more 'noisy' activities have been taking place, a hugely important sub-regional planning document that will dictate land use throughout the whole of Greater Manchester conurbation (including what happens with its Green Belt) has been quietly making progress.

The Greater Manchester Spatial Framework (GMSF) is the first of its type in England but it will not be the last. All of the other CAs which are closest to sealing agreements have taken powers to produce spatial planning strategies. It is widely expected that the next one to start moving forward will be the Liverpool City Region one but, as can be seen from Table 2 on page 9, they will also be emerging in other parts of the country in due course (see 'Planning/ Public Assets/ Housing'). The mayors will in fact take responsibility for them.

Currently there is no planning guidance laid down for the production of these plans, even though they will constitute the overarching development plans in their areas. Hence, as the standard bearer, Greater Manchester is establishing its own template as it goes along. This has not involved key stakeholders in formative stages. Whether other areas follow the same modus operandi or not remains to be seen.

The GMSF began with the publication of an initial evidence base late in 2014 on which there was a public consultation. Between November 2015 and January 2016 there was a consultation on a draft 'Vision' and on 'Strategic Objectives'. This canvassed three options for growth. The most modest one contained housing figures based on what has actually been delivered in recent years, though these were dismissed in the supporting documentation as lacking ambition. The contention was that Greater Manchester's growth would be stunted if it only aspired to achieve these figures – which were not far removed from those that were endorsed in the last North West Regional Spatial Strategy (RSS). Although this RSS, along with the others, was abolished by the coalition government, it is not irrelevant to do some comparison with it as it looked forward to 2021 and most GM Local Plans have similar figures. Table 3 on the next page illustrates how much higher the preferred housing figures are (ie. those in options 2 and 3) than the RSS figures and than the figures in the existing and emerging Local Plans of the 10 Greater Manchester Authorities.

Since that stage, there has been a 'call for sites'. An initial map is viewable on the GMSF pages of the GMCA website illustrating where sites are being promoted by developers. That said, this exercise is still open.

As part of the GMSF process, a Green Belt review is underway. However, there has been no mention of a separate consultation on the outcome of it. If one is not carried out, this may be considered to be a major omission by a planning inspector sitting in judgement on it.

On the GMSF pages on the GMCA website (<https://www.greatermanchester-ca.gov.uk/GMSF>) it says:

The GMSF will address the environmental capacity of Greater Manchester, setting out how we enhance and protect the quality of the natural environment, conserve wildlife and tackle low carbon and flood risk issues, so that we can accommodate growth sustainably. Alongside the GMSF, we are also developing an integrated appraisal framework (including a strategic environmental assessment, sustainability appraisal, health impact assessment and equality impact assessment)".

It is assumed that these will be published at the next stage of the process which presently looks like being the publication of the Draft GMSF, promised for Autumn this year (with a further consultation). Sometime during 2017, the proposed final version of the Plan will emerge. That will be subjected to an examination in public in 2018. The Plan itself, which will run to 2035, will be signed off in due course by the Communities Secretary and it will overlay all the individual Local Plans of each of the 10 Metropolitan Boroughs. As each one is reviewed, it will have to concur with what the GMSF requires, notably in terms of housing numbers and employment land allocations. Three of the individual Metropolitan Borough Local Plans that were being refreshed when the GMSF began have now been withdrawn pending the outcome of the GMSF.

Cynical commentators are convinced that the new sub-regional spatial frameworks are primarily about delivering infrastructure - driving up housing numbers and opening up more land for employment and other uses – but not necessarily in an environmentally sustainable or a socially acceptable way.

Comparison between housing requirements in the Greater Manchester Spatial Framework, the 10 constituent Council Local Plans and the revoked North West Regional Spatial Strategy (RSS)

AUTHORITY	Total no. of dwellings in GMSF & Local Plans	Annual average unit build rate reqd. (Net)	RSS annual average housing units to 2021
GREATER MANCHESTER GMSF for 2014-35 passed Strategic Options stage	GMSF Option 1: 152,800 GMSF Option 2: 217,350 GMSF Option 3: 336,000	Option 1: 7,300 ¹ Option 2: 10,350 ² Option 3: 16,000 ³	9,623
BOLTON MBC Core strategy for 2008 - 2026 adopted Mar. 2016	12,492	694	578
BURY MBC Local Plan was withdrawn Mar. 2015 pending GMSF	6,800	400	500
MANCHESTER CITY Local Plan for 2012-27 adopted 2012. Housing delivery period: 2009-27	60,150	3,341	3,500
OLDHAM MBC Local Plan adopted 2011. Housing units required for period 2009-2026	6,921	289 min	289
ROCHDALE MBC EIP into Local Plan for 2012-2028 suspended in 2013. New 15-year SHMAA submitted to planning insp. in Jan 2015.	6,900	SHMAA says current need is for 460 units pa although 483 pa reqd. for first 5 yrs. to make up backlog; but newly-arising need is 924 pa.	400
SALFORD MBC Local Plan for 2011-2028 paused Spring 2014 due to emergence of GMSF. To be resumed May/June 2016 with Draft Plan.	22,100	Originally 1,300 pa but Inspector's report said 1,600 pa needed	1,600
STOCKPORT MBC Core Strategy up to 2026 adopted Mar. 2011.	5,200	450	450
TAMESIDE MBC Draft Core Strategy due to have been published late 2014; paused due to GMSF	13,500 (preferred options stage)	750	750
TRAFFORD MBC Core Strategy 2011- 2026 adopted Jan. 2012	12,210 min. net	814	578
WIGAN MBC Core Strategy 2011- 2026 adopted Sept. 2013	18,365	1,000 min. net	978
Total 10 GM Authorities	annual need =	9,521 – 10,262	(RSS figure 9,623)

Table 3: Housing figures adopted in Local Plans or under discussion in Greater Manchester

¹ Option 1, which is close to the annual average build rate of 7,395 achieved between 2004 and 2014, would be sufficient to meet the 2014 Greater Manchester Forecasting Model projection. Broadly consistent with existing District planning policies, it avoids significant development in Green Belt/ on important open land.

² Option 2 assumes higher levels of economic growth, population and housing growth. This would be an increase of 40% on the annual average net additional dwellings provided over the period 2004 to 2014.

³ Option 3 seeks to meet the best estimate of future needs. It is 55% higher than objectively assessed need.

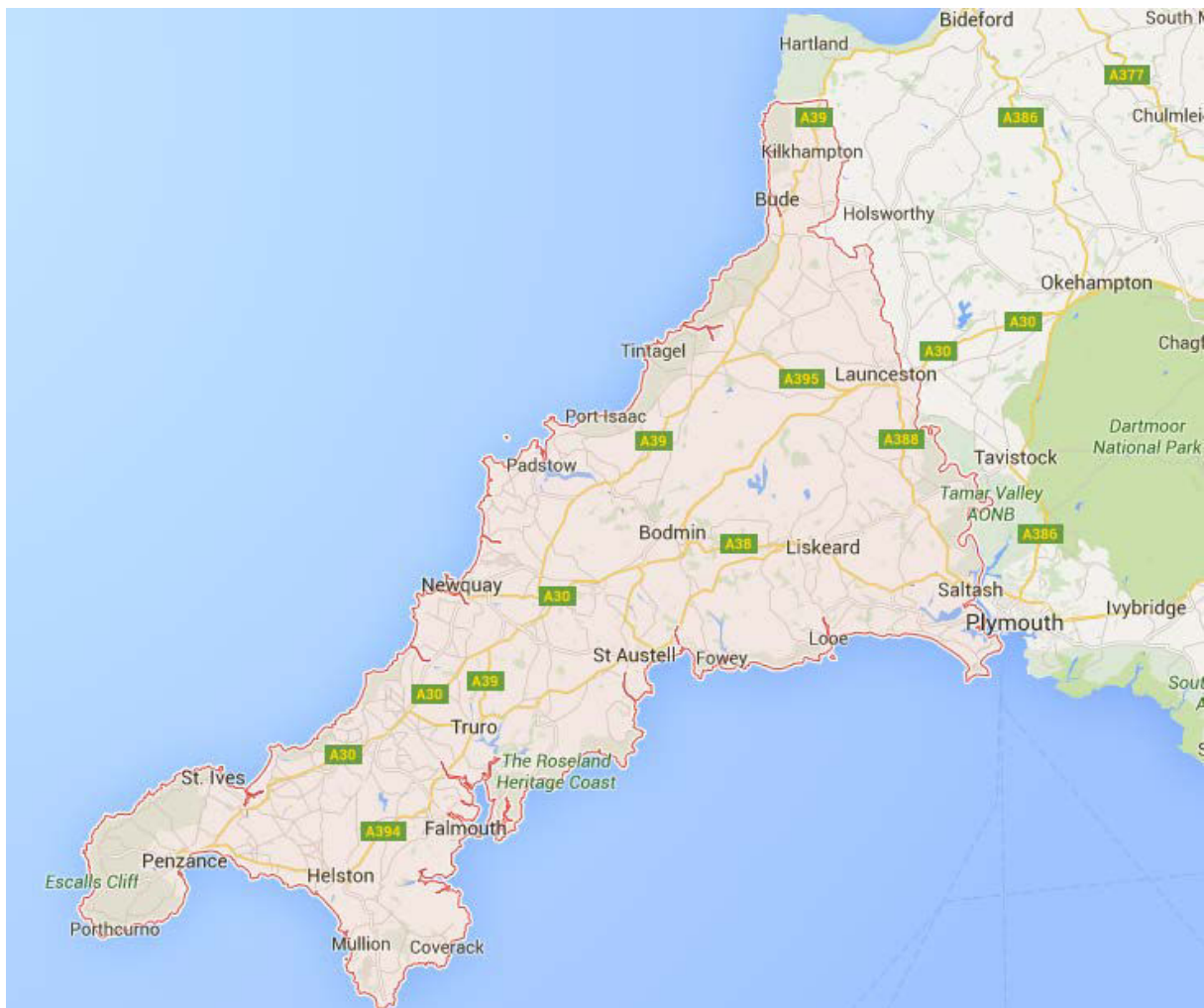
CORNWALL COMBINED AUTHORITY

Cornwall was the first rural authority to secure a devolution deal and virtually everything about their deal is different than the deals that have been done or are in the making elsewhere.

Cornwall, which previously comprised a County Council and six districts, became a Unitary Authority in 2009. It has a history of in-house service provision and it did not join with any other principal authority in making its bid. The only partners are the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) and a clinical commissioning group (because of the health and social care responsibilities being taken on).

The Cornwall Local Plan is at an advanced stage, having been through its examination in public (eip). Sometime later this month (June) the eip inspector is expected to confirm to the Council what, if any, further changes he requires to be the subject of further consultation. Due to this state of affairs, Cornwall clearly felt it would be pointless to ask for spatial planning powers as a spatial framework would, in effect, mean replicating the work of the Local Plan.

The population of Cornwall was 532,300 at the time of the 2011 Census, a figure which it is projected will rise to 599,000 by 2031. However, this is still less than tiny Tees Valley CA which had a population of 664,000 in 2012 that is expected to rise to 700,000 by 2032.



The land area covered by Cornwall is 1,376 sq. miles (3,563 km²) – nearly three times that of Greater Manchester – and the population is rurally dispersed.

THE DEAL

Transport

The Cornwall deal allows much greater powers over transport commissioning and delivery. The Council is working on a Bus and Integrated Transport Strategy and will be taking over bus franchising and delivering an integrated smart ticketing system. The Council also agreed to contribute £2.35m from the Local Transport Plan to improve vehicles, transport infrastructure, public transport information and ticketing.

Employment & Skills

New training strategies are to be evolved and delivered between the Council, the LEP and the Skills Board in order to reduce levels of unemployment and improve skills levels. There will be a re-working/coalescing of budgets to enable this. A Skills Bank Initiative will be established to build on the existing Apprenticeship Scheme. Local Businesses will be encouraged to get involved with various initiatives. Schools will be targeted to improve careers advice and higher education providers helped to improve training. There will be better joint working with Job Centre Plus and the Skills Funding Agency.

European Union Funding

Due to its low gross domestic product per capita, Cornwall and the Isles of Scilly is the only area in England classified by the EU as a 'Less Developed Region'. This means that (prior to the EU vote) it was due to receive 603.6m Euros from the European Regional Development Fund and the European Social Fund between 2014 and 2020. Powers and status which will enable Cornwall to access further EU funding are being awarded. Beyond the European programmes, the Council and the LEP have committed to finding/providing 500 additional jobs and to assist 400 additional businesses and will be supplying £57m match funding.

Business Support

The Council and the LEP will work with central government to improve business support in the sub-region, encourage innovation and deliver other aspects of the LEP's strategic economic plan. The Council and the LEP will invest up to £150m in the 'Growth Hub' and work to deliver an overall GVA growth by a 5% stretch.

Energy and Resilience

The Council and the LEP are to bring forward a proposal for a low carbon Enterprise Zone and will continue to work on deep geothermal energy and on energy efficiency in homes. Community energy pilot projects will be explored. The Council will work with the Environment Agency and South West Water on an investment programme for flood resilience and coastal defence and with the government on possible 'smart grid' solutions.

Health and Social Care

The Council, government, the NHS and other partners will work to better integrate health and social care.

Public Estate

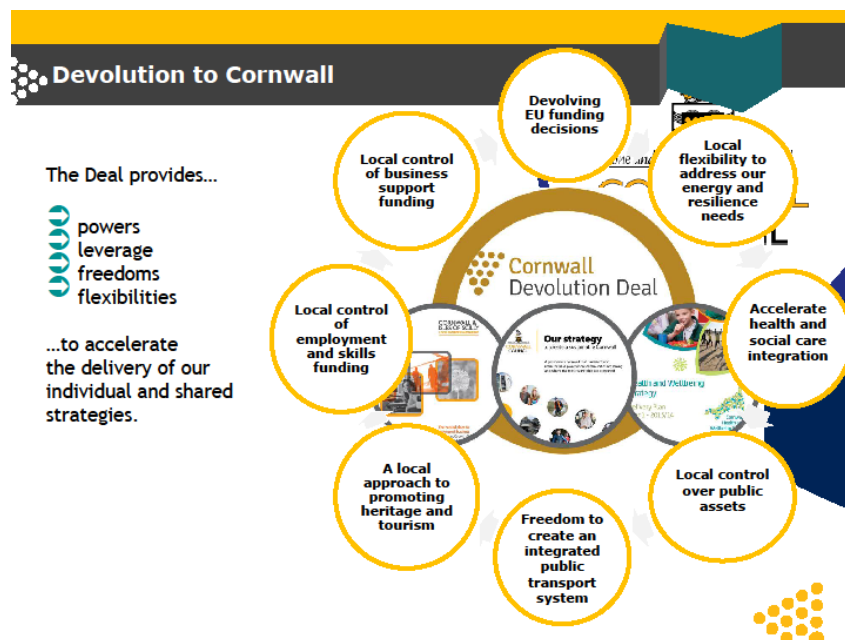
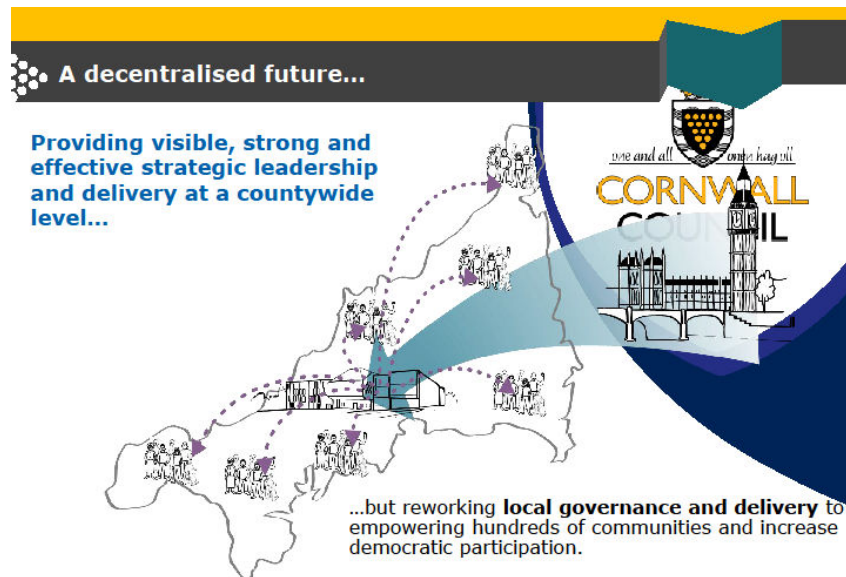
The Council will work with the government, the Homes & Communities Agency and other partners to ensure best use of existing land and property assets and to identify new land for potential development.

Heritage

Partners are to be invited to create a Cornish Heritage Environment Forum and the Council and English Heritage will produce a study of the cultural distinctiveness of Cornwall's historic environment. The Council will work with the Department for Culture, Media & Sport on how to best support tourism.

The Cornwall deal would not have happened if there had been an insistence that they accept a mayor. They describe themselves as having slipped through the net before central government became more resolute about the requirement for mayors. That said, they are now negotiating for more powers.

To date, Cornwall have not been offered any special financial settlement and, although they are moving towards a business rate funded budget, it will not help their financial situation. In fact, following on from the state of affairs they had in 2015, where they had to find £196m in savings, they have estimated they will have a 'devolution deficit'. They are therefore looking to save a further £34m through austerity cuts. Speaking at the joint LGA/NALC conference on June 1st, Cornwall's head of communities & devolution, Rob Andrew, made it quite clear that Cornwall see partnership working as their way forward. They see devolution as offering a more empowered future with greater freedoms. Here are two of their slides:



Mr. Andrew acknowledged that there were pressures on community based services, but the Council were upbeat about moving forward.

He outlined what the Council see as their 'building blocks of success':

Building blocks of success

- Create the right culture- build local trust
- Develop a better understanding of the 'devolution deal'
- Have a mutual understanding of the language of 'devolution'
- Recognise that every community is different
- Harness local ambition and local capacity
- Promote local partnerships and collaboration

What was apparent was that Cornwall Council envisage a much closer working relationship with the Cornwall County Association of Local Councils (CALC), with whom they made a joint presentation, and also with the Cornwall Society of Local Council Clerks (CSLCC) as well as with community groups. CALC had already been given a service level agreement and representation on the Council's Devolution Board and was welcome to attend officer meetings and thematic forum meetings on planning, waste and transport. There were also shadow working groups which the CALC could sit on. In the meantime, the University of Exeter are doing a research project for the Council about democratic engagement.

Governance arrangements were clearly defined as follows:

Governance

- Devolution Board (monthly) chaired by a Council director
- Fortnightly Strategic Devolution Group meetings
- Monthly highlights report, risk register, rolling 12-month programme
- Robust financial modelling
- Sign off by a director or the Cabinet if proposals were greater than £500,000
- £1.5m devolution capital pot – sign off by the board
- Small revenue budget

However, there were many ongoing challenges:

Ongoing challenges

- Project assessment and evaluation
 - Identifying the 'true' current costs of services and assets that the principal authority was looking to devolve to the local level
 - Conflicting priorities – income earning assets for individual services v wider overall council savings
 - Balancing the views of social value v capital receipts v revenue costs
 - Establishing what is 'cost neutral'?
- Resources to undertake this work – an additional activity to the traditional 'core offer'
- The time taken up by negotiations and the need for continuity

Looking to the future, the Council and the County Association of Local Councils said they saw a changing role for Town and Parish Councils and a changing role for their Clerks who will probably need to become more like Parish Managers. There may well need to be a formal or informal merging of Local Councils and/or clustering arrangements in order to deliver new services and they may soon need to be thinking about producing business plans and setting up arms length trading arrangements.

Certainly, much more attention will need to be given to the 'general power of competence'. (In simple terms, the power of competence, introduced by the 2011 Localism Act, enables principal authorities and Local Councils the same freedoms to operate as an individual, so long as they operate within the law).

Town and Parish Councils, of which there were 213 in Cornwall, were to be offered a framework of options for service delivery⁹. These were set out in the following slide:

Framework Options

- Option 1 – Influencing / Monitoring
 - Street Cleansing
- Option 2 – Joint / enhanced delivery
 - Environment, Traffic Enforcement
- Option 3 – Agency Agreements, Licenses
 - Grass cutting, closed cemeteries, roundabout sponsorship
- Option 4 – Delegated Delivery
 - Libraries, One Stop Shops,
- Option 5 – Services transfer / cessation
 - Public Conveniences, allotments, open spaces
- Option 6 – Retained
 - Winter maintenance, coast protection

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Although subsequent slides made it clear that also under consideration for transfer were sports grounds and car parks and also some 40 open spaces were about to be handed over to Local Councils.

The principal authority was on a learning curve about how Local Councils worked and particularly in understanding how their precepting functioned. In the meantime, consideration was being given to possible funding sources for both them and the principal authority. These included the Community Infrastructure Levy (CIL) and 106 agreements as well as business rates. However, it was made clear that, for a large part of Cornwall, the CIL was not relevant.

Some towns were going to require support from the principal authority to deliver more services but the message that came across very clearly was that, in order to meet the new challenges facing them, Local Councils would be expected to increase their precepts exponentially – in some cases six-fold. Total precepts across Cornwall had already risen from £10.156m in 2009/10 to £18.550m in 2016/17 but Rob Andrew suggested they would need to be £36m by 2020.

As matters stand at present, there is no legislation preventing Local Councils putting up their precepts to whatever they feel they can justify. But it is not yet known how the Councils themselves will feel about being expected to accept such a large part of the 'double devolution' burden and to turn their acts around and become much more dynamic entities. All of Cornwall's 213 Town and Parish Councils are up for election in 2017. Will the new challenges frighten off people from standing as Parish Councillors or inspire more to take on new challenges? It remains to be seen.

But, whilst new and wider horizons appear to be opening up for local councillors, it is not easy to see where environmental NGOs such as CPRE and their volunteers might fit in. There has been some collaborative working on planning between NALC and CPRE at the national level and between County Associations for Local Councils and CPRE County Branches at the local level on Neighbourhood Plans. However, Cornwall's devolution arrangement does not venture into planning, which is CPRE's *raison d'être*, although it does include

⁹ Cornwall Council has issued a 'Framework for Town and Parish Councils and Community Groups to have an increased role in service delivery' <http://www.cornwall.gov.uk/media/13154151/Devolution-Framework-for-Town-Parish-Council-and-Community-Groups-March-15.pdf>

heritage and it is looking at energy provision, another CPRE issue. CPRE would want to have a say on transport, where it also has some expertise and detailed policies. But it would undoubtedly be better advised to try and interact direct with the Combined Authority on that. It is known that Cornwall are closely examining rail corridors – and it is thought this exercise is not only about improving rail infrastructure and services but potentially, with a view to development.

Unsurprisingly, the chair of the Cornwall & Isles of Scilly Local Enterprise Partnership, Mark Duddridge, has a different perspective on devolution deals. This was his 'Opinion' piece in **Local Government Chronicle**:

LEPs hold the key to securing devolution deals

13 JUNE 2016, BY MARK DUDDRIDGE

Almost a year ago, Cornwall became the first rural authority in England to sign a devolution deal with the government.

Some might say we had it easy. With only two local authorities on the patch, a distinct geography and sense of place, plus a long history of partnership working through decades of EU funding programmes, we had many of the foundations in place. But easy it isn't. It's hard and it's going to get harder as revenue support grant is further reduced and other funding mechanisms, including delegated business rates, come on stream. Even before these proposals are fully baked, the arguments for even greater fiscal freedoms are already being made so that regions - especially cities - can retain more of their taxes to spend as they wish.

But if we're to prise off, finger by finger, the Treasury's grip on the purse strings then ministers not unreasonably expect us to demonstrate that we're up to the job. Lord Heseltine called it 'unleashing the potential' of our local economies and their people, in which the private sector in particular should play a major role. He also warned us it would be tough.

The government has made no secret of wanting to see stronger links between economic development and fiscal devolution. That's why communities secretary Greg Clark is clear he won't sign off devolution deals without the full support of local enterprise partnerships. That's where the stakeholder role of the 2,000 or so business people involved on the 39 LEP boards and their sub-groups in England will become increasingly important. Not only do they bring a business-led approach and focus to local growth that ministers want to see, but they can also give voice to a private sector that will rightly demand an increasingly greater say in how their business taxes are invested locally.

But there are tensions. Yoking together local authorities under an elected mayor in return for greater powers is something that is not going smoothly in some regions of the UK. Look at Gateshead, or Norfolk, or Yorkshire. Political, economic and geographic differences have come to the fore. Not everyone wants to join the party. It is hard.

That's where LEPs can make a real difference in delivering devolution, not just as the conduit through which local growth funds are channelled, but as essential brokers who can bring local partners together and focus on a shared agenda. Let's remember that local authorities are intrinsic partners in all LEPs; it's not a case of 'them and us'. It's also about making sure that the structures you have deliver not just against your region's economic objectives, but are also aligned with the government policy on local growth. The ability to articulate a common agenda with a single voice, clarity of purpose and clear outcomes is therefore vital, especially in a competitive growth deal process.

In our part of the world Cornwall Council, our largest local authority and the principal architect of our devolution deal, recognised very early that it would need to show how devolution could deliver tangible benefits based on a set of evidenced-based priorities. This wasn't about drawing up a shopping list and getting tangled up in arguments about governance and structures. The role of the LEP was to help evidence what we were asking of government, with support from our business community, MPs and peers, and to challenge and test aspects of the deal before it was presented to

ministers. Importantly, there have been from the outset clearly defined roles and responsibilities for delivery among the partners to our devolution deal, with the LEP leading the business support and employment and skills agendas, but also feeding into a number of other strands such as transport, health and energy, where relevant.

There are only four parties to our devolution deal, compared to our neighbouring LEP's 22 partners, which gives you a feel for the task ahead. But if Lord Heseltine's vision of unleashing the potential of our regions is to be realised, and the trust of government to let us get on with the job is to be earned, I believe LEPs are uniquely placed to deliver a collaborative approach to local growth, both within their respective areas and by working together across borders to maximise the benefit to the economy.

Mark Duddridge, Chair, Cornwall and Isles of Scilly LEP

LGC

Cornwall has begun issuing regular devolution newsletters. As well as cataloguing progress being made in business and skills, the newsletters reveal what is happening in the pursuit of a deep geothermal industry. The DCLG has issued a call for proposals valued at up to £13m for drilling and testing at least one deep geothermal demonstration well.

A key focus of the newsletters to date has been the launch of a 'Growth Hub', the funding for which has come from the European Regional Development Fund, Cornwall Council and the LEP. The Hub, located at the Pool Innovation Centre, is intended to offer a single access point to a range of business support provision.

Now, following the referendum vote to leave the European Union, Cornwall Council's leader, John Pollard, has issued a statement seeking reassurances and confirmation from UK government ministers that EU funding (or the equivalent of it) will still be forthcoming. The statement says: *"Because of Cornwall's relatively weak economy, compared with the rest of Europe, Cornwall has received significant amounts of funding from the EU over the past 15 years and we will be seeking confirmation that this allocation, based on need, will continue in future We will be insisting that Cornwall receives investment equal to the EU programme which has averaged £60m per year over the last 10 years"*. (N.B. Cornwall voted 56.5% in favour of leaving the EU).

WHAT IS KNOWN OF PROGRESS ON THE NEXT EIGHT CAs?

Sheffield City Region (population: 1.7m)

All Councils involved have now ratified this deal and agreed a constitution – including Chesterfield Borough Council (from Derbyshire) and Bassetlaw District Councils (from Nottinghamshire). They have become full members in addition to Sheffield City Council and Barnsley, Doncaster and Rotherham MBCs. Associate members are Bolsover, Derbyshire Dales and North East Derbyshire District Councils. Sheffield City Region CA was criticised for a poorly publicised devolution consultation that received less than 100 responses.

North East (population: 1.7m)

Only six of the seven members of this CA have so far ratified the deal – Durham and Northumberland County Councils, Newcastle and Sunderland City Councils, South Tyneside MBC and North Tyneside Council. Gateshead Council are against the deal. They have until November to change their mind.

Tees Valley (population 666,000)

Tees Valley's full members, Middlesbrough Council, Darlington, Hartlepool, Redcar & Cleveland and Stockton-on-Tees Borough Councils agreed their deal last autumn and are preparing for a mayor. The CA has appointed a managing director whose job it is to make the most of devolution opportunities.

Liverpool City Region (pop. 1.4m)

Halton Borough Council joined with Liverpool City Council and Knowsley, Sefton, St. Helens and Wirral MBCs to sign a first deal in November 2015 and a second in March 2016. Two shadow ministers, Steve Rotherham and Luciana Berger, and Liverpool City mayor, Jo Anderson, are vying to stand as Labour candidate for mayor.

West Midlands Combined Authority core area pop. 2.8m; inc. non-constituent areas: 4.2m)

Originally a Warwickshire bid was in train but the key protagonists – Warwickshire County Council, North Warwickshire and Nuneaton & Bedworth Borough Councils and Stratford-on-Avon District Council – all eventually decided to become non-constituent WMCA members along with Shropshire County Council, Redditch & Tamworth and Rugby Borough Councils, Telford & Wrekin Council and Bromsgrove and Cannock Chase District Councils. Full members are Birmingham, Coventry and Wolverhampton City Councils and Dudley, Sandwell, Solihull and Walsall MBCs. Warwick District Council has so far opted out. The launch of this CA was delayed a week after an official complaint in parliament by John Spellar M.P. – who raised concerns about the mayor, finances and 'top-down' agenda setting – but it has now gone 'live'. WMCA is now reported to be discussing a second devolution deal focused on infrastructure and skills.

East Anglia CA 'in principle' deal announced in March 2016' – not now being progressed

The government's attempts to force an 'Eastern Powerhouse' CA onto East Anglian LAs proved to be a step too far. Cambridge City Council stood firm against. Two separate CA deals are now going ahead.

Greater Lincolnshire 'in principle' deal announced in March – sticking over mayor (pop.1m)

Greater Lincolnshire's deal, announced in the March budget, is also still unconfirmed. Public consultation is underway but the imposition of an elected mayor is a major sticking point with the constituent councils. They are Lincolnshire County Council, Lincoln City Council, Boston Borough Council, East Lindsey, North Kesteven, South Holland, South Kesteven and West Lindsey District Councils and NE Lincolnshire Council.

West of England 'in principle' deal announced in March – sticking over mayor (pop. 1m)

Another 'deal' announced as 'done' in March that is unravelling. Bath & NE Somerset Council voted in May to call on government to drop the requirement for a mayor. North Somerset Council voted down the devo plans in June, citing the mayor model as one of several problems. New Bristol City mayor, Marvin Rees, has said he wants the W. of England deal to work but has criticised the way government have gone about the deals. South Gloucestershire Council is the other potential full CA member.

OTHER KNOWN ONGOING DEVOLUTION NEGOTIATIONS/ DISCUSSIONS

As negotiations about CA deals are conducted in private and classed as 'commercially sensitive', meeting notes are not publicly available and tracking the course of devolution deal-making is not a straightforward exercise. The summaries below are an assembly of information gleaned from various sources, offered in good faith, but they may not present the complete up-to-date picture:

Bedford, Milton Keynes, Central Bedfordshire & Luton (pop. 880,000)

Discussions about a potential CA are at an early stage and are sweeping in councils in Oxfordshire, Buckinghamshire and Northamptonshire in the context of a South East Midlands grouping.

Cambridgeshire and Peterborough (pop. 830,000) and Norfolk and Suffolk (pop. 1.6m)

The government were clearly enamoured by the prospect of an 'Eastern Powerhouse' in the former East Anglia sub-region, but the councils involved had other ideas. Now two separate devolution deals, one for Cambridgeshire and Peterborough and one for Norfolk and Suffolk, have been agreed in principle. These new deals bring with them more transitional funding than was previously on the table. Cambridge City Council seem ready to be part of the Cambridgeshire/Peterborough deal (there is a vote on June 27th) whereas it was not happy with a pan East Anglia CA. As well as Cambridgeshire County Council and Peterborough City Council, the other partners are East Cambridgeshire, Huntingdonshire and South Cambridgeshire District Councils. The Norfolk/Suffolk bid partners are Norfolk and Suffolk County Councils, Norwich City Council, Ipswich and Kings Lynn & West Norfolk and St. Edmundsbury Borough Councils and Babergh, Breckland, Broadland, Fenland, Great Yarmouth, Mid Suffolk, Suffolk Coastal and Waveney District Councils.

Cheshire and Warrington or 'Greater Cheshire' (pop. 900,000)

The three Unitary Authorities of Cheshire West & Chester Council, Cheshire East Council and Warrington Borough Council submitted a devolution bid in September and have been in discussions with government. But on June 11th, they issued a joint statement saying that a devolution deal and consultation about it had been put on hold. The stumbling block was the requirement for a mayor which Warrington B.C. voted against. Warrington also objected to the government's insistence that devo consultations must be conducted in July. Cllr Samantha Dixon, Cheshire West & Chester leader, issued a further statement saying she would continue to work collaboratively with Cheshire East and Warrington and committing to delivering ambitious growth plans along with neighbours North Wales.

Cumbria (pop.: almost 500,000)

This deal, which involves Cumbria County Council, Carlisle City Council, Allerdale, Barrow and Copeland Borough Councils and Eden and South Lakeland District Councils, has stalled over several issues. The government's insistence on a mayor is a problem for some councils but other sticking points are: the retention of 100% of business rates on a yet-to-be-built nuclear power station at Moorside, the prospect of children's and highways services being transferred away from the County Council and the lack of progress on a refinancing arrangement for Cumberland Infirmary. The Chair of Cumbria's Leaders Board and also of the County Council, Cllr Stewart Young, accused the government of not understanding two-tier authorities.

Gloucestershire (pop. 610,000)

Amongst other things, Gloucestershire's original devolution bid sought control over health and social care budgets and overall business rates but talks failed over the details of the economic deal and because most Council leaders were not prepared to accept a mayor. It then became apparent that Cotswolds District Council was seeking to form a Unitary Authority along with West Oxfordshire, with which it already shares some management and other services, but the idea was abandoned on advice from PriceWaterhouse Coopers and some of the original proposals are now being revisited. The original partnership comprised Gloucestershire County Council, Gloucester City Council, Cheltenham and Tewkesbury Borough Councils and Cotswold, Forest of Dean and Stroud District Councils.

Greater Brighton (pop. 700,000)

Following a successful Greater Brighton City Region deal agreed on March 2014, Brighton & Hove City Council developed a devolution bid which overlapped with the Three Southern Counties (3SC) bid by East Sussex, West Sussex and Surrey County Councils. Full members of the bid were Worthing Borough Council and Adur, Lewes and Mid Sussex District Councils. It remains to be seen how government will view this bid.

Greater Dorset (pop. 800,000)

This devolution bid by Bournemouth, Christchurch and Weymouth & Portland Borough Councils, along with the Borough of Poole Council and North Dorset, Purbeck and West Dorset District Councils, has been taking place at the same time as discussions about re-organising the County Council and the Districts into Unitary Authorities. Dorset County Council are in favour by a majority of the entire county becoming a unitary and for Bournemouth and Poole to be a separate unitary. However, there is another option on the table of Christchurch joining with Bournemouth and Poole. East Dorset originally withdrew from debates about reorganising local government but has now re-joined them. No final decisions have yet been made but it is assumed that, because of the unitary plans, devolution discussions do not include the post of mayor. East Dorset will be amongst the first councils to cease receiving revenue support grant in 2017-18. It is also worth mentioning that Weymouth & Portland Borough Council and North Dorset and West Dorset District Councils already share management and services and, in effect, have been merging for some time.

Greater Essex (population: 1.4m)

Devolution in Essex has been contentious and failed to move forward because, whilst the majority appear to support a county-wide arrangement, the Unitary Authorities of Southend-on-Sea and Thurrock Council have been determinedly pursuing their own agenda for a CA. However, both have recently had a change of political leadership and the new leaders have expressed a willingness to work with other partners. This may produce a different approach but, as it is apparent that Southend and Thurrock have different priorities from other parts of the county, this will need to be recognised. The other LA partners in addition to Essex County Council are Chelmsford City Council, Basildon, Brentwood, Castle Point and Colchester Borough Councils and Braintree, Epping Forest, Harlow, Maldon, Rochford, Tendring and Uttlesford District Councils. When the leaders of all these councils, including Southend and Thurrock, voted about having a mayor in May, the result was eight to seven against. The leaders have all now asked government for much more clarification about the role.

Greater London (pop. 8.5 m)

Although London gained an elected mayor in 2000 and already has some devolved powers, it is now seeking more. A number of health initiatives are being piloted and it is likely that, from 2017, Greater London will take over its adult education budget of £400m. The agreement has already been reached for Greater London to co-commission support (along with the government) to help the long term unemployed and to work with the Department for Work & Pensions on the cases of people with health problems. Four sub-regional groups of councils have been formed to work on a variety of programmes. These are Central London Forward, Local London, South London Partnership and the West London Alliance.

There was a proposal that London should retain all the business rates it collects but this has become a thorny concept to crack because London's councils collect about 30% of England's total business rates. Elsewhere around the country, LAs keep about half of the business rates they collect in the first instance and then, in the majority of instances, this is then supplemented by a system of top-ups and tariffs. In other words, London's excess is re-distributed around the country to areas where it is needed.

Providing evidence to the DCLG select committee inquiry into business rates in April, Guy Ware, London's director of finance, claimed that the rest of the country would not be significantly disadvantaged if London kept all of its business rates. He maintained that £350m flowed out of London under the present system. However, there is a lot of concern about the potential effects on economically weak parts of the country if they stopped receiving their current top-ups/revenue support grant. The matter has yet to be resolved.

As well as Westminster City Council and the City of London Corporation there are 31 London Boroughs - Barnet, Barking & Dagenham, Bexley, Brent, Bromley, Croydon, Camden, Ealing, Enfield, Greenwich, Hackney,

Hammersmith & Fulham, Haringey, Harrow, Havering, Hillingdon, Hounslow, Islington, Kensington & Chelsea, Kingston upon Thames, Lambeth, Lewisham, Merton, Newham, Redbridge, Richmond upon Thames, Southwark, Sutton, Tower Hamlets, Wandsworth and Waltham Forest.

Heart of Hampshire (pop. 780,000) / Solent (pop. 1.2m)

Devolution debates in Hampshire have been very acrimonious and have become more convoluted now that they have started to get mixed up with proposals for a new Unitary Authority. A pan-Hampshire and Isle of Wight devolution bid broke down over disputes about an elected mayor. Groupings such as PUSH (Partnership for Urban South Hampshire) and SHOVE have promoted different coalitions and concepts. Now Hampshire County Council is to consult on the formation of a new unitary that would exclude the existing unitaries of Southampton and Portsmouth which are involved in a 'Solent' devolution bid along with the Isle of Wight Council and East Hampshire, Eastleigh, Fareham, Gosport and Havant District Councils (whose boundaries are concurrent with the Solent LEP). Separate from the Solent/PUSH grouping in the south east of the county, is one now tagged 'Heart of Hampshire' in the north and west. It includes Winchester City Council, Basingstoke & Deane Borough Council (which has commissioned PwC to carry out a county-wide review of local government reorganisation), Rushmoor and Test Valley Borough Councils and Hart and New Forest District Councils. Hampshire C.C. is not committed to any devolution grouping.

Heart of the South West (pop. 1.7m)

Some 19 Councils signed up to a 'Heart of the South West' bid last September but serious negotiations only got underway in May based on the area's 'Prospectus for Productivity' that aspires to record growth levels. The prospectus lauds Hinkley Point nuclear power station and the potential in marine, aeronautical and advanced technology manufacturing. There will be problems getting buy in for a mayor amongst the LAs who are Devon and Somerset County Councils, Exeter and Plymouth City Councils, Taunton Deane and West Devon Borough Councils, East Devon, Mendip, Mid Devon, North Devon, Sedgemoor, South Hams, South Somerset, Teignbridge, Torridge and West Somerset District Councils and Torbay Council.

Hertfordshire (potential population of combined two-tier bid: 1.5m)

No firm plans yet but political leaders of Hertfordshire County Council, St. Albans City Council, the Borough Councils (Broxbourne, Dacorum, Hertsmere, North Hertfordshire, Stevenage and Watford) and the District Councils (East Herts, St. Albans and Three Rivers) are scheduled to meet on June 17th.

Kent and Medway (pop. 1.5m)

Medway Council explored the possibility of embarking on a devolution deal just with Dartford, Gravesham, Swale and Maidstone Borough Councils but this does not appear to have stacked up. A county-wide bid is now being pulled together by Kent County Council and will also include Canterbury City Council, Ashford, Maidstone, Tonbridge & Malling and Tunbridge Wells Borough Councils and Dover, Shepway and Tunbridge Wells District Councils. It is hoped to lodge the bid with government before parliament dissolves for the summer recess, despite differences between the partners and a common resistance to a mayor.

Lancashire (pop. 1.2m)

Lancashire were unable to mount a devolution bid in time for the government's deadline of last September but they subsequently held a public consultation and now a deal appears close to being settled – although Wyre Borough Council has held out from being part of it. The Unitary Authorities of Blackpool and Blackburn with Darwen are part of the arrangement along with Lancashire County Council, Lancaster and Preston City Councils and the Borough Councils of Burnley, Chorley, Fylde, Hyndburn, Pendle, Ribble and Rossendale. These LAs have agreed to meet on July 11th to form a shadow CA and elect a shadow mayor.

Leeds City Region (pop. 2.8m)

A devolution deal for Leeds City Region has been problematic due to a competing Greater Yorkshire bid (which now appears to have been dropped) and because Harrogate Borough Council and Craven District Council wanted to be part of Leeds City Region CA but North Yorkshire County Council did not want to give up their

transport responsibilities in those areas. However, the Cities & Local Government Act has enabled the forcible transfer of such powers. This deal now seems to be progressing with Leeds and Bradford Cities as full members along with Calderdale and Wakefield MDCs and Kirklees Metropolitan Council. Harrogate B.C. and Craven D.C. are to be associate members along with the City of York and Selby Borough Council.

Leicestershire and Leicester (pop. 1m)

A shadow CA has been set up comprising Leicestershire County Council, Leicester City Council, Charnwood, Hinckley & Bosworth, Melton and Oadby & Wigston Borough Councils along with Blaby, Harborough and North West Leicester District Councils. Negotiations are underway with government to have a deal which does not involve a mayor. If these are successful, the shadow CA is hoping that they will be joined by Rutland County Council and by some districts from Derbyshire, Nottinghamshire and Warwickshire. Also see commentary under 'North Midlands' immediately below.

North Midlands

A deal for this area, covering the historic county areas of Nottinghamshire and Derbyshire had seemed to be making headway under the acronym of D2N2 (Derbyshire & Derby and Nottinghamshire & Nottingham). However, it gradually disassembled as it came before the constituent authorities for approval. Chesterfield Borough Council and Bassetlaw District Council have now joined Sheffield City Region CA as full members and Bolsover, Derbyshire Dales and NE Derbyshire District Councils have become associate members. High Peak Council wants to join Greater Manchester CA. Remaining LAs do not want a mayor and further strains have arisen due to calls for re-organisation within Nottinghamshire. Due to the uncertain situation and the fact that some southern Derbyshire and Nottinghamshire Districts are now looking towards Leicestershire's devo bid, it is not possible to list which LAs are in fact still interested in keeping alive a North Midlands bid.

North Yorkshire, Hull, York and East Riding

This is another potential CA area that is a difficult area to report on (as per the North Midlands) because the leaders of some LAs and some MPs are reluctant to give up the idea of a 'Greater Yorkshire CA', which failed to gain real traction. Also, some District Councils are considering joining with Leeds City Region CA. Hull City Council, which has dithered over where to align with, seems to have finally decided it should fall in with this emerging CA. Despite these complications, a mayoral deal is still being worked on.

Three Southern Counties (pop. 2.5m)

The members are the three County Councils of Surrey, East Sussex and West Sussex - but not the unitary of Brighton & Hove City Council (see Greater Brighton above). This bid, (acronym: 3SC), is proving harder to knit than the partners imagined it would be. It is progressing on the premise there will no mayor but a 'named person' leading the new CA. (As a point of interest, two East Sussex LAs, Eastbourne Borough and Lewes District Councils have already merged much of their administrations).

Wiltshire and Swindon (pop. 480,000)

The Unitary Authority of Wiltshire and Swindon Council are in discussions with each other but are said to be struggling to agree on any devolution bid, especially any that would involve a mayor.

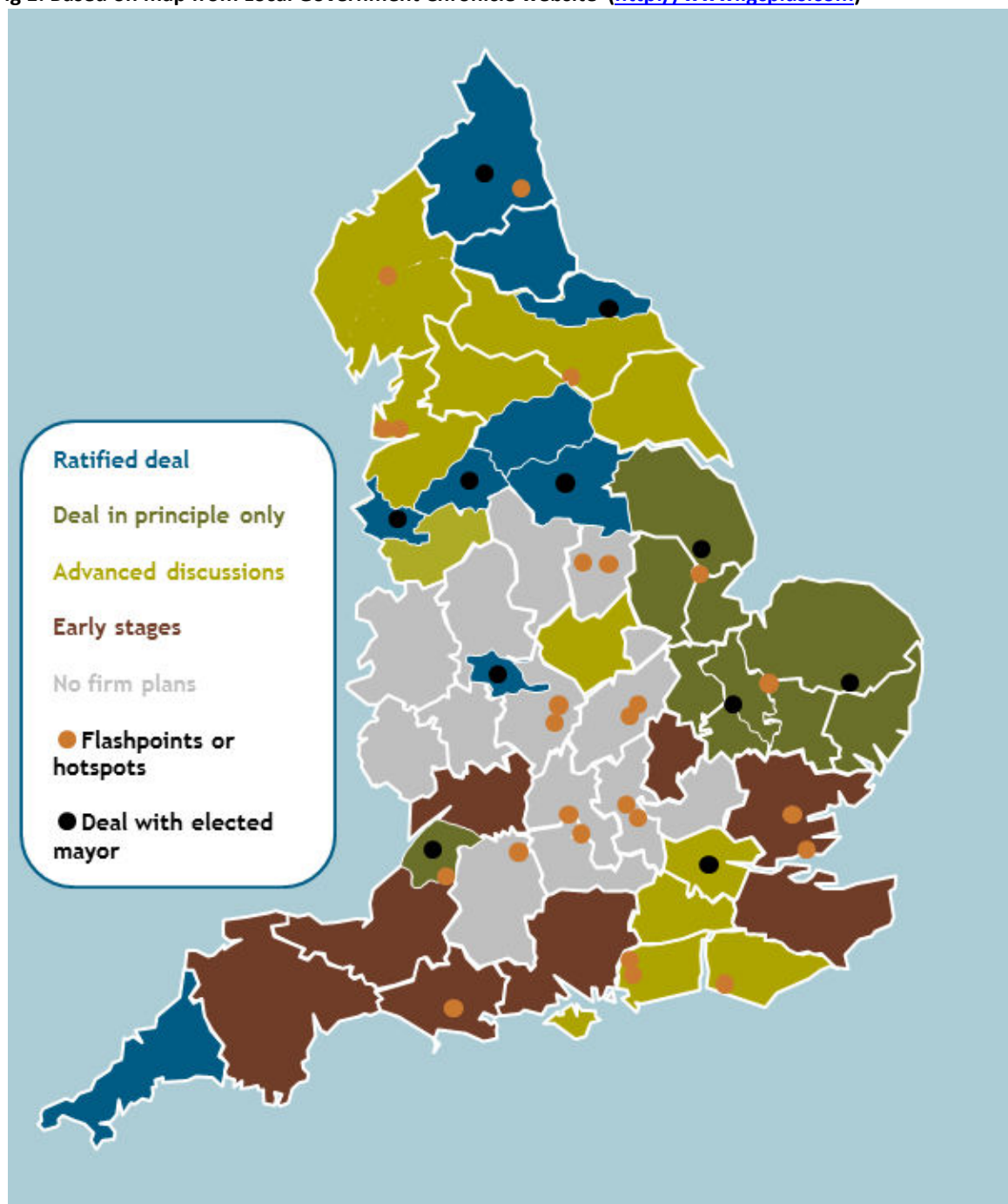
Worcestershire

Worcestershire County Council, which does not want a mayor, is considering its position after the government went cold on its devolution deal and it 'lost' Bromsgrove Council to West Midlands.

THE PICTURE AT MID JUNE 2016

The fig. below illustrates the known state of play for devolution deals across England at the start of June 2016. After the map on which Fig 1. is based was issued by 'Local Government Chronicle', the Unitary Authorities of Cheshire West & Chester, Cheshire East and Warrington announced they were suspending their joint devolution negotiations with government and also a planned public consultation exercise. This followed a refusal by Warrington Borough Council to sign up to having a mayor for the proposed Combined Authority.

Fig 1: Based on map from Local Government Chronicle website (<http://www.lgcplus.com>)



The interactive map, compiled by InstantAccess for LGC, can be accessed electronically via this link: http://www.instantatlas.com/demos/LGC/DevolutionMap/02_06_2016/atlas.html?loadAllData=true&indicator=i0&prop_legendClassifier=quantile&pal_defaultPaletteld=Sequential%20Cyan&pal_defaultSchemeld=categoricScheme1&pal_noClasses=5&bbox=195534.10969501073%2C172490.87246544485%2C635637.7282181928%2C679859.2361777596

WHERE IS THIS ALL GOING? WHAT DO COMMENTATORS SAY?

At one end of the spectrum of knowledge about devolution are the local authority chief executives who have found themselves absolutely pivotal to the unfolding scenarios whilst, at the other, the 'man on the street' remains blissfully ignorant in the main for the time being.

MJ, the management journal for local authority business, reported in its June 16th edition on a roundtable discussion amongst LA chief executives about the future for local government. Convened by Dr. Dave Smith, former chief executive of Sunderland City Council, it was chaired by Michael Burton, editorial director of MJ and it looked forward to what the sector might look like in 2020. This is the report:

What future for local government?

15 JUNE 2016, BY DAVE SMITH

What is the future for local government? This was the question I and others set out to debate when we recently convened a round table event for local authority chief executives. We posed the question 'What will local government look like in 2020?' and tried to move beyond the 'just surviving' debate to one that captured both the value and values that local government brings to a place.

With new regional arrangements progressing in various places and at variable speeds, we all recognised that more than ever councils were now grappling with even more complex local and regional relationships. So the need for clear, collaborative community leadership in a place is now critical to ensuring a sustainable future; local government remains uniquely placed to deliver this leadership.

But the ability of local government to play this role successfully is dependent on how clear and confident it is about its purpose in this changing public sector world, it was argued. This clarity and confidence requires more than just a philosophy and a debate. The purpose also has to be hard wired into the organisation in its operating model, the skills sets of its leadership and workforce, the deployment of its diminished resources and through all this its relationship with its partners, communities and stakeholders. As one contributor put it: 'If we aren't clear about the purpose of local government and if we haven't translated that into the core of our operations, how can we hope to find a successful future for services working in a different way with communities?'

All authorities represented at the debate had embarked on the journey to deliver at least some services in a different way. However, chief executives recognised that few had embarked on a wholesale strategy to create a means of directly addressing the issues of purpose and affordability. What we stop doing, what we start doing and what we do in different ways are questions for the whole organisation – not just questions for individual services, it was argued.

It is in the nature of good leadership, it was suggested, to shape the purpose, quality and delivery of local government and to 'take control'. To achieve this, momentum needs to be built for the sector as a whole, or at least those wanting to take a leadership role in shaping the agenda.

The spending pressures facing local government were raised along with the challenges implicit in the devolution agenda. Health and social care were raised in this context along with the skills agenda. The localisation of business rates and the changes being made to the revenue support grant were considered to be potentially the most worrying aspects of the devolution agenda.

It is not always clear what is working well and local government does not always learn enough, it was argued. Furthermore, the new role for local government in the health system means needing to have a firmer idea of what inputs are required and how people can be helped to support themselves. Whether integration between health and social care will deliver financial savings was not clear.

There has been, it was suggested, an extraordinary level of innovation in local government while the cuts have been delivered. This has ranged from the creation of mutual, to new community models, to spin-outs. This has often involved stakeholders in an imaginative way and the social finance sector has shown a willingness to be involved in projects as well. The question though was posed about how many of the transformational programmes implemented are sustainable?

The concept of shared leadership across organisational boundaries was raised. While alternative delivery models have been developed, there can be questions of the scalability of such solutions. It was widely recognised in the debate that while savings are required from alternative delivery models, they must also forge a new and different relationship with communities; one that promotes independence and greater levels of self determination.

A number of types of delivery vehicles were considered to be necessary for local government but these vehicles need purpose and often a commercial element as well. Critically, local government needs capacity to get to where it wants to by 2020. The confidence of staff has been shown to be a critical component, and some have a share in the ownership of the new ventures as well.

The scale of the challenge is growing but, worryingly, the scale of the resource to address it is reducing. The more difficult and contentious the reductions become to achieve, the more councils sacrifice the capability to deliver sustainable change. This all impacts on pace, quality, depth and sustainability of the change councils are capable of driving.

A clear and modern purpose for local government is a prerequisite in determining its place in an increasingly complex public sector landscape. That clarity of purpose has to be reflected in the way the council organises itself and its resources alongside the relationship it creates with partners and communities. This provides strategic direction for savings and new ways of working.

Dr Dave Smith, managing director, Promodo, former chief executive, Sunderland City Council

The MJ

'Centre for Cities' produced a paper entitled ***'Keys to the City: Unlocking Urban Economies through Devolution'*** in 2013 pressing the case for devolving central government powers to the major urban centres in line with many examples in other countries.

It is now trying to bring devolution before the public by staging a series of debates over the summer amongst leading commentators with something interesting to say on the subject – politicians, local dignitaries, business and newspaper people. They began in Tees Valley (June 14th) with the political editor of the Northern Echo and chairs of the CA and LEP, followed by Liverpool (on June 21st) with Liverpool City Mayor Joe Anderson). The Manchester event is on (July 11th with Andy Burnham M.P.), Sheffield (July 14th with Lord David Blunkett) and Birmingham (July 21st with Gisela Stuart M.P.).

Also, the **Centre for Public Scrutiny** produced its second report on devolution in May, *'Cards on the table – Tips and tricks for getting in on the Act of Devolution'* by Ed Hammond (<http://www.cfps.org.uk/wp-content/uploads/CfPS-Devolution-Paper-v4-WEB-new.pdf>). It looks at what constitutes a good deal and discusses the need for buy-in by non-executive councillors and members of the public. The Executive summary is replicated here:

INTRODUCTION AND EXECUTIVE SUMMARY

In September 2015 we published "Devo why, devo how?" – our opening thoughts on the fast-developing issue of English devolution. It would have been confusing if we had titled this new report "Devo who, devo when?", but that is essentially its focus – exploring the critical role of two groups of people who we feel have been overlooked in discussions so far (non-executive councillors and the public) and when they might fruitfully and usefully "feed in" to the formulation of devolution plans.

In this document, we provide a clear and consistent way for local areas to address some of the principal governance challenges with which they are faced. This is not about thinking of governance during an initial "design" phase, or putting together a bolt-on solution once other elements of a devolution deal have been agreed. It is about seeing governance as a way both to successfully agree a deal – and secure sign-up from a

wide range of local stakeholders – and as a way to put that deal in place on the ground. We believe that good governance is the key to any plan for devolution which aspires to be more than merely rearranging the deckchairs. Our research shows that good governance is important because:

It brings public transparency and legitimacy to new decision-making arrangements,

It actively helps to improve the design and implementation of services,

It ensures that decisions more accurately reflect the needs of the public because they have been subject to public scrutiny – either directly or through the medium of elected representatives.

It assists with efficient management and delivery. A system where responsibility is shared, acknowledged and understood – through a collective commitment to learning - is one where decisions can be made well, in the confidence that they will deliver the right outcomes.

These benefits, and their consequences in improved outcomes for local people, will not arise automatically. They will also not arise purely as a result of agreement on structures – the composition of a combined authority, voting arrangements, the veto powers afforded to a Mayor on combined authority decisions, or vice versa. Governance is more complex than that, and requires thought throughout the process.

Perhaps most importantly, devolution gives us a once-in-a-generation opportunity to rethink and redesign our approach and response to local democracy. Democracy – the involvement of local councillors and the public, and their roles as active participants in the process – is central to our vision for governance.

For this reason, we think it is important that Government's tests for devolved governance – as well as requiring strong structures and systems – take account of the need for wider councillor and community participation. And we also think that bid and proposal documents should put forward stronger commitments on these issues too, from the bottom up. The sequence in brief: key governance questions at every stage

The why: what is the rationale underpinning a bid for devolution? What is the prize for the area?

The sense of place: is the geography right? Is there a common, shared narrative about the future, and about outcomes?

The proposal: are we able to put forward a coherent, consistent proposal to Government?

The negotiation: how is Government provoking us to change our plans? What will we need to do once the deal is agreed to get it implemented?

The deal and the sell: did we get the deal we wanted? How do we secure buy-in and ensure that plans for implementation are robust?

The design: how can we design detailed governance arrangements which meet the standards in our design principles, as well as knitting together good governance and the delivery of outcomes?

The implementation and the outcomes: what are the next steps? What do we do to monitoring ongoing performance?

This is a useful tool for carrying out an appraisal of a devolution deal.

The '**Local Government Chronicle**' has also been critical of the lack of public engagement in the re-organisation of local government (in relation to both devolution and the establishment of Unitary Authorities) and of the government's laissez faire attitude to letting it all unfurl. Here are two commentary pieces by the editor, Nick Golding:

Involve residents in structure debate or new unitaries will lack legitimacy

1 MARCH 2016, NICK GOLDING

The long-standing structural stability of local government is under threat

The floodgates opened last year for proposals to rationalise boundaries when LGC revealed the communities secretary was "willing to listen" to restructuring proposals that lacked unanimous local agreement.

This change is already having dramatic repercussions for two-tier areas and could yet have significant consequences for unitaries. The government's move to view reorganisation as an alternative to metro mayors has now tied restructuring in with previously separate battles relating to membership of combined authorities.

In the past week alone we have seen Oxfordshire's districts demand their county council is replaced with a series of unitaries that will also eat into Gloucestershire and Northamptonshire CCs. Meanwhile, Chesterfield BC plans to break away from Derbyshire CC's long hoped-for devo deal and join neighbouring Sheffield City Region.

Elsewhere, Southend-on-Sea BC and Thurrock Council have withdrawn support from plans to create a Greater Essex Combined Authority; southern Hampshire councils are discussing a devolution bid that would divide their county in two, amid murmurings about new unitaries; and Warwickshire CC's leader has mooted restructuring as the county considers joining the West Midlands Combined Authority.

While the scale of potential upheaval is daunting, this does not mean the status quo should be maintained. Far from it, something has to give in response to falling budgets. There simply is not the resource to maintain management and political structures of all existing councils, while boundaries sometimes need to be redrawn to reflect economic reality. Understandably, three-quarters of senior managers support reorganisation.

However, restructuring should not take place merely to balance the books for a couple more years and it certainly should not be undertaken in the hope of cobbling together a devolution agreement in time for the Budget. New structures need to be explicable to local populations and ideally align boundaries with genuine local identities and economic patterns.

As the woeful turnout for the 2012 police and crime commissioner elections showed, when voters do not understand a new body, they shun it. Unless the public are at the heart of the process of designing new structures, councils will lose legitimacy. The worst option would be give rise to a series of unloved organisations that (like 1974's Avon, Cleveland and Humberside CCs) do not stand the test of time and are subsequently themselves reorganised.

We must avoid ushering in an era in which sands shift unrelentingly, with a dizzying impact on council staff and local populations. Local government would do well to take heed of the NHS where, within the past two decades, 481 primary care trusts were created, merged into 152 bodies and then replaced by 211 clinical commissioning groups. With permanence comes legitimacy and a genuine ability to use a democratic mandate to place-shape.

LGC

Ministers need to be explicit about restructuring criteria

16 MARCH 2016, BY NICK GOLDING

It may have been justifiable for Greg Clark to open the Pandora's Box of reorganisation as a means of providing a new avenue of creating potentially more efficient council structures.

It is less justifiable for the secretary of state to unleash demons then stand by and watch them destroy local relationships in many two-tier areas when he has the power to at least partially keep a lid on tensions.

Whatever approach to reorganisation was adopted there would have been difficulties. Existential questions always generate passion. You have to fight to the death or you may lose your job and employer.

What has been troublesome in this process is ministers' failure to indicate what is acceptable and their adherence to a mantra that everything is for local areas to decide, when it is they who will take the final decision on what proceeds. We do not know what criteria will be used to judge bids, other than that new structures must save money (which every protagonist will argue of their bid of their bid).

It is not justifiable to unleash demons then watch them destroy local relationships in many two-tier areas

In the absence of guidance, there is no limit to over-adventurous ambition, increased scope to pursue the unachievable and less incentive to seek compromise.

So it was useful this week to see the Department for Communities & Local government tell Dorset CC the "optimum size" of a unitary council is 300,000 to 700,000 inhabitants; "searching questions" will be asked of proposals outside this band. This discreet guidance could provide a certain amount of clarity, assuming it applies to all areas and its importance has not been misinterpreted by the county.

However, the DCLG failed to answer LGC's questions about the firmness of the guidance, despite having over 24 hours' notice to respond. And there went another opportunity to clarify the situation.

Dorset is using this covert guidance to recommend a single countywide unitary, whose population would fall within the thresholds – and it could have a major impact elsewhere too. It raises questions about the viability of Oxfordshire districts' plans to form four unitaries when only a single unitary or two unitaries in the county would fall within the desired population range. Conspiracy theorists will note keeping the guidance under wraps offers wriggle room to approve the districts' plan, favoured by the prime minister, who has been at war with Oxfordshire CC after its leader had the temerity to highlight the impact of government cuts.

Notably, the DCLG's recommended population size is currently only met by about 35 unitary councils nationwide: most are too small. This raises the troubling question as to whether the DCLG believes restructuring should be confined to two-tier areas or also affect existing unitary, metropolitan and London councils. While reorganisation can sometimes bring benefits, the complete redrawing of local government boundaries is a recipe for confusion, disharmony and distraction from service delivery.

LGC

The **Municipal Journal** carried an insightful article by Simon Parker, Director of the Local Government Network, in their April 12th edition replicated here:

A Devolution Disaster

12 APRIL 2016, BY SIMON PARKER

The devolution revolution is barely 18 months old. Many parts of the country won't even take on their full devolved powers until next year, when they elect their first metro mayors. And yet there is already a palpable sense that the agenda is stalling.

In the North East, Gateshead and Durham are putting the brakes on a devo deal. The North Midlands has been left in limbo by the defection of a handful of districts. No sooner had George Osborne announced his intention for an East Anglia deal than Cambridgeshire pulled out.

It is important not to overstate the case. For every troubled part of the country, there is another which has grabbed the opportunities of devolution.

Two years ago few of us would have put bets on Merseyside, the Tees Valley and the West of England signing up to devolved metro mayors. The progress has been remarkably rapid.

But there is a real danger that the momentum is being lost just at the moment when the window of opportunity for devolution is starting to close. Councils need to stop wrangling over the details of devolution and grab what they can while the getting is good.

The window of opportunity is bounded by George Osborne's tenure at the Treasury. Devolution is very much a personal project for the chancellor.

Recent political events have tarnished his authority and reduced his chances of becoming the next prime minister. It is not clear whether either his or David Cameron's successor will have the same passion for local economic growth.

Britain is a country where all the defaults are set to the centre. If the chancellor stops pushing for change, we could easily see a slow drift back to Whitehall.

What is going wrong? To some extent this is a question of local forces of inertia kicking in. In some parts of the country MPs are doing their best to undermine the deals.

From Liam Fox in the West of England to Nick Brown in the North East, parliamentarians seem to have worked out that metro mayors are a challenge to their personal power. Many councillors feel exactly the same way.

The chancellor's semi-imposed geographies are hampering progress in other parts of the country. In both the North Midlands and East Anglia, the Government has encouraged the creation of very large and complicated entities comprising as many as 22 authorities.

It was always going to be tricky to herd all of those cats into the devolution fold, especially with so many two-tier areas now being rocked by unitary debates.

The most dangerous problem of all is the belief in some places that if they just hold out for a bit longer a different deal will emerge. This goes against all the evidence to date, which tells us that George Osborne will insist on directly elected mayors, prefers larger to smaller geographies and has dwindling sums of money to fund the deals. Waiting for a better deal might easily mean no deal at all.

Of course, there are all sorts of problems with the Government's approach to devolution. Our traditional sense of good governance suggests devolution should happen according to a clear strategy, with every part of the country included, the public fully consulted, a clear constitutional settlement and some sense of fairness and rationality.

The current devolution process breaks every one of those conditions, but it also has the great virtue of actually making change happen in a way England has not seen in a generation.

By far the best response to the chancellor's imperfect devolution process is to take the deal and find ways to make it better.

Activists in Greater Manchester frequently point to the undemocratic way their city's deal was done and the combined authority has responded with a major focus on consultation.

The new metro mayors will inevitably be a work-in-progress. On current trends their huge mandates will be completely out of kilter with their weak powers and political constraints.

If central government is serious about mayors, the prime minister will need to call them in over the summer of 2017 and negotiate a new wave of devolved powers for them.

Today's councils are a bit like salmon swimming upstream. As long as they keep fighting against the river they can slowly get closer to their goal. The second they stop, the current of centralism will wash them back out to sea.

Here one former government insider and a leading academic discuss, in the *Municipal Journal*, about how they previously lobbied for devolution and about their disenchantment with the way it is happening and they find themselves at a loss to predict what it all is likely to mean for Town and Parish Councils.

A Dangerous Path For Devolution

7 JUNE 2016, BY STEVE LEACH & DENNIS REED

In previous articles we have pointed to some of the deficiencies and dangers in the Government's devolution agenda. But from a local government perspective are we really talking about devolution?

The critiques of English devolution which have been published so far by the National Audit Office and Communities and Local Government Select Committee have not addressed the implications for the powers and functions of individual local authorities.

Over the last two decades, supporters of local democracy, including the authors, have framed the devolution debate in terms of the principles of subsidiarity, namely that 'public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen' (Article 4 (3) of the European Charter of Local Self Government).

Hence we argued for 'double devolution': devolution of powers and responsibilities from central government to local authorities and then, where possible, further devolution from local authorities to town and parish councils (or community councils in non-parished areas).

What we have with the current agenda is the antithesis of devolution, with some transfer of responsibilities from local authorities to a non-elected combined authority and in most cases a directly elected metro mayor. Where this leaves town and parish councils is anyone's guess.

Combined authorities and metro mayors are taking sweeping powers (at this stage by mutual consent) over a number of important functions which are bound to erode the discretion and independence of individual local authorities over time.

Yes, some strategic elements of these functions and funding for them are currently the responsibility of central government, but local authorities have key responsibilities in most of these areas, too.

The Cities and Devolution Act 2016 Explanatory Notes make clear combined authorities will be 'receiving a number of new powers from local authorities' as well as devolved powers from government departments and agencies.

The range of functions appearing in current devolution deals illustrates our concern: roads, transport, spatial planning, land disposal, housing investment, further education and skills, employment support, business support, health and social care, policing. Criminal justice, culture, welfare benefits and other elements of education will probably be next.

If devolution gathers momentum and most of these services and functions reside within combined authorities, the historic cities such as Manchester and Liverpool may have sole responsibility for little more than libraries and leisure, trading standards and consumer protection, local planning applications and refuse collection.

They would then have little more responsibility than current district councils.

What would be the implications for local authority councillors in metropolitan districts/ boroughs of such developments?

There is already pressure in some areas to reduce the number of local authority councillors and this will intensify as combined authorities centralise responsibilities and inevitably increase their resource base and staffing.

The Government appears to be planning for this eventuality already in the Devolution Act.

Not only does Section 6 enable any function of a local authority to be conferred on a combined authority but Section 15 provides for the 'simplification' of local government structures as a result of

devolution which 'may involve mergers of councils, moves to unitary structures, or changing the democratic representation of the area with different electoral cycles and fewer councillors'.

Accountability to the individual citizen will of course suffer. It seems to have been forgotten that the UK already has by far the highest ratio of citizens to elected members in Western Europe at around 3,000 to 1, compared to 350 to 1 in Germany, around 600 to 1 in Spain and Italy and a situation in France of little more than 100 to 1.

The act specifies such simplification would have to be agreed by constituent councils but the Government might insist on this as part of a fresh devolution settlement in the same way as mayors are being effectively imposed now.

Furthermore, it would be relatively easy to introduce secondary legislation to remove the mutual consent element.

Most local authority leaders seem relaxed about the above implications at the moment as they are members of the combined authorities and to varying degrees have circumscribed the powers of the metro mayors.

The metro mayors' powers and relationships with the combined authorities are being agreed and set out in constitutions before the mayors are elected and therefore only the interests of local authorities are being taken into account.

However, devolution settlements will immediately come under pressure as soon as metro mayors are elected.

The Government will be supportive of the mayors' position because of their electoral mandates.

Are high profile candidates like Andy Burnham really going to accept being chairs of the combined authority when they see themselves in the Boris/Ken roles?

Will a former secretary of state for health who has argued passionately for integration be prepared to have no executive responsibilities for health and social care in Greater Manchester?

We can see the Government, under pressure from the metro mayors' lobby, gladly taking measures to transfer powers from the combined authority to the mayor.

The Government remains 'star struck' by the concept of strong individual charismatic leadership of our cities and assumes this style of leadership is more desirable than the collegiate approach adopted effectively in many local authorities over the years (including Manchester).

There is absolutely no research evidence that the mayoral model is more effective.

But in encouraging the direct election of charismatic (and probably idiosyncratic) leaders, the Government is setting up a future tug of war with combined authorities over executive powers.

There are many possible routes for the development of devolution, depending largely on the interests and priorities of the Government of the day.

The departure of George Osborne as chancellor might lead to devolution withering on the vine, or changing Government priorities might result in combined authorities and metro mayors becoming stuck with their initial devolution deals and little in terms of new developments taking place.

A default scenario we fear is that metro mayors, in alliance with civil servants who find sub-regional units more administratively convenient, will press for more powers and functions from both central government and local authorities.

This would result in hollowed-out local authorities with fewer councillors, leaving them as little more than glorified town councils.

Again we urge the Local Government Association to call for a Royal Commission or Constitutional Convention to recommend a structured way forward for devolution in England which protects local democracy.

Steve Leach is emeritus professor of local government at De Montfort University, and Dennis Reed is former chief executive of the Local Government Information Unit

The MJ

WHAT ARE COMMENTATORS SAYING OF THE NORTHERN POWERHOUSE VIS A VIS DEVOLUTION?

The 'Northern Powerhouse' was launched as, and is seen as a branded economic tool by government; a brand they had hoped the newly devolved Combined Authorities in the North would help to drive.

There have been any number of Northern Powerhouse announcements, conferences, exhibitions and reports and they keep coming – but commentators are largely sceptical. One business-led report, **'Building the Northern Powerhouse: Next Steps for Transformation'**, maintained the Northern Powerhouse would have to grow by a staggering £44bn if it is to reach the average GVA per capita of the UK. The **'UK Northern Powerhouse Outcomes Report'**, launched in parliament on April 25th, called for four steps: (1) existing government promises must be locked in and progressed, (2) extend full fiscal economy to key northern cities, (3) close working with the UK Commission for Employment & Skills to drive up productivity and (4) ensuring there is more collaborative working across the north, utilising technology.

George Osborne, the Chancellor, who initiated the 'Northern Powerhouse' concept, made commitments in his budget in March aimed at kick-starting it. He announced £60m of funding towards developing a better east-west rail link that would reduce journey times from 50 to 30 minutes between Manchester and Leeds. Also £75m towards development costs for an 18-mile road tunnel under the Peak District National Park aimed at cutting road journey times between Manchester and Sheffield. And he spoke of government plans to invest £11m in creating technology hubs in Manchester, Leeds and Sheffield. The aim is to create clusters of digital industries by funding co-working spaces and providing educational resources to attract venture capital funding to the early-stage companies. And a separate £700,000 is to be given to Leeds and Manchester for projects based around the sharing economy centred on car clubs and communal offices.

However, Andy Burnham, MP, who wants to be Labour's mayoral candidate for Greater Manchester, has called on George Osborne to take action over what he identified as a £1bn 'black hole' in the Northern Powerhouse initiative. According to Andy Burnham, central government grants to Greater Manchester's 10 councils will fall by £836m over the course of this parliament (ie. between 2015 and 2020). In addition to that: Manchester City Council is set to lose £163m by 2019/20, the sub-region's NHS Trusts face a combined deficit of £115m, the Greater Manchester police budget will fall by an estimated £34m over the five years and education funding after this year has been cut by £2m.

Mr. Burnham's claims and his appeal to George Osborne to ensure that – in his next budget – he guarantees Greater Manchester would be able to "balance its books", came on top of a remark made by Richard Leese, the leader of Manchester City Council, to a devolution conference at Salford Quays earlier in the year. He said that if the government did not come forward with half a billion pounds – the cost of working up all the Northern Powerhouse and Northern Transport Strategy projects – then the Northern Powerhouse initiative would not mean anything.

On the other hand, James Wharton, the Northern Powerhouse Minister, has maintained that cuts to local government do not undermine the economic direction of devolution. He told the All Parliamentary Group on local government last month that devolution presented an opportunity to get an elected mayor with a mandate to drive forward the potential for an area. And he urged areas currently putting together devolution deals not to hold out for a perfect deal straight away because the agreements were not 'static'. He advised that it was better to get some deals signed as a starting point, although he also said *"Devolution won't be done to anyone. The worst that will happen is that it will be done without you"*.

Another voice which has entered the Northern Powerhouse debate is the 'Centre for Cities', a research and policy institute dedicated to improving the economic success of UK cities. It published, on June 2nd 2016, **'Building the Northern Powerhouse, Lessons from the Rhine-Ruhr and Randstad'**, a report by Paul Swinney. (<http://centreforcities.org/press/european-cities-40-productive-northern-powerhouse-counterparts>). The report says that the success of the Northern Powerhouse will depend on the productivity of its citizens, not on improved rail links or big-time projects such as 'HS3'. It shows that commuting between the successful city regions in the Randstad and Rhine-Ruhr is not significantly greater than across city regions in the North of England, nor are the trains a lot quicker. The main message is that strong regional economies require strongly performing cities at their heart and the cities in the North of England are currently punching well below their weight in terms of contribution to the national economy. The equivalent cities in the Randstad and Rhine-Ruhr

are 40% more productive. The report concludes that the North of England fails to harness the benefits of agglomeration and needs to prioritise improving skills and increasing the density of its cities.

On June 17th **The Times** reported a re-launch of the Northern Powerhouse initiative following criticism that the concept has so far failed to make sufficient progress. Also, launched at the same time and place, was **'The Blueprint for a Great North Plan'** by the Institute for Public Policy Research North. The 'Blueprint' identified the economy, transport, environment and 'population and place' as key areas for action. The Times report said:

No 10 sidesteps city halls in effort to drive Northern Powerhouse forward
By Jill Sherman, Whitehall Editor

Downing Street will call for business partners to drive the Northern Powerhouse today as council leaders have failed to push through devolution deals.

No 10 is leading a campaign, to be launched in Leeds, to encourage companies to market and invest in the Northern Powerhouse brand.

Only three city regions – Manchester, Liverpool and Sheffield – have made progress on directly elected mayors. Despite endless negotiations with ministers and officials, many agreements have stalled after being mired in local political battles.

The new launch, led by the head of the government's campaign team in Downing Street, has been seen as an attempt to seize the Northern Powerhouse agenda from Georg Osborne and the Treasury, said one insider.

A report from IPPR North, a think tank, has drawn up its own plan for business leaders, has warned that the current government approach is "piecemeal, partial and parochial" and the policy risks running into the ground.

Five business partners will be announced as James Wharton, the minister responsible for the Northern Powerhouse, addresses a conference of government communications staff and business leaders in Leeds. All partners will be consulted before any new policy on the Northern Powerhouse and will get direct access to an elite network of other partners.

They will be able to use the Northern Powerhouse brand in any marketing material and attract ministers to speak at events. Foreign investors, including the Chinese, will also be approached to be partners. Figures recently released by EY, an accountancy firm, showed that foreign investment in the north had risen by per cent in two years.

"The Powerhouse has got to go beyond reducing travel times between Leeds and Manchester, important as that is", said Ed Cox, director of IPPR North. "Business and foreign investors have told us they want to see a more coherent approach to economic planning with the kind of framework found in London, Scotland and most European regions", he added.

Until now, Mr. Osborne has led the drive to devolve powers to the north and negotiate deals with predominantly Labour councillors to get extra cash if they sign up to a new mayor.

However, sources say No 10 believes that policy is focused too much on the chancellor and the Treasury and that the campaign should be widened to other departments, business leaders and academic institutions.

The companies that will sign up for the new programme are the Peel Group, Atkins Global, Manchester Airport, Northern Power Women and the North Wales Business Council. Mr. Wharton said: "We're clear we must work closely with businesses, universities and other organisations to pool the abundance of talent on offer across the north".

CONCLUSIONS

'Double devolution' of power, from government to principal authorities and from them to Town and Parish Councils, is a confirmed government vision and it is clearly seen as much more than a means of pushing responsibilities and service delivery down to a more local level, but also as an economic tool.

One of the few requirements placed on Local Authorities when they were invited to bid for Combined Authority status was that they make a pitch about how they propose growing their local economy and delivering more. This is an integral part of the mutual understanding between the parties. Any financial transitional arrangements are relatively modest and time constrained. There is an assumption that melding together local authorities and their business partners (the Local Enterprise Partnerships) will ultimately result in cost savings. And, **by handing Combined Authorities the legal right to produce spatial planning documents which will out rank Local Plans, government is handing those devolved entities the potential wherewithal to drive and deliver more development on the ground.** Especially as this comes on top of availability to a planning system that has been weakened to the point of being broken.

For those who are part of local government – the elected members and their representative organisations, the Local Government Association (LGA) and the National Association of Local Councils (NALC) – and for the professional staff of the different tiers of local government and their representative bodies – the ground is shifting beneath their feet at an alarming rate. However, **due to the disaggregated way that this tectonic plate movement is happening, even some of those at or near the epicentre are slow to appreciate that an earthquake is taking place.**

It is important to understand that the inner functioning of central government is changing as well. Powers and responsibilities which have traditionally laid with government departments are being chipped away at and handed in a piecemeal way to some coalitions of principal authorities who have no previous experience of handling the functions they are taking on and who are still working out how they are going to re-assemble the pieces of aggregates they are being handed into something that resembles a structure. Most had to make a knee-jerk reaction to a governmental request to bid for Combined Authority status, along with partner authorities, over a few weeks last summer. They are being required to put in place a new sub-regional tier of working that did not previously exist but without any pre-designed scaffolding to support it or templates to work to. And, because they are being expected to not only do this with little new money but to save money in the longer term, they are trying to work out how to disassemble existing structures and build new ones at the same time without everything collapsing in a heap around them.

At the base of the shifting edifices that represent government are the Local Councils who hitherto have done a sterling job of looking after relatively modest parochial needs. They have and do accomplish this, in most instances, with a group of volunteers (it is rare for Parish Councillors to receive attendance or other allowances in the same way that principal authority councillors are recompensed for their efforts) and with a part time Clerk. As a rule, only the larger Parish Councils and Town Councils tend to have more than one member of staff or the equivalent of more than one full time person in support of their efforts. Most Clerks are both the responsible legal officer and the responsible financial officer for their Council.

Despite this state of affairs, **there appears to be a presumption that this first tier of local government will pick up many of the non-statutory services and cost-hungry assets that the principal authorities are casting off – and that they will be in a position to do this over a relatively short timescale.** This seems to be an unfair and badly misjudged state of affairs. At least in the case of the principal authorities, they have been pro-actively making bids for more powers of their own choosing. In the case of Local Councils, a small percentage have begun flexing their muscles by starting to take advantage of the 'right to build' that they have acquired and of the 'power of competence' but there has been no co-ordinated and properly understood transfer of powers and services.

When principal authorities have approached Parish Councils to take over buildings, open spaces and/or service from them, that approach has often come with an intimated threat that the building might be knocked down and sold on for whatever the market demands or the open space might fall for development or the service might stop altogether.

There is a long held aspiration by many in the Parish Council world for the whole country to be parished. More urban Parish Councils are slowly coming into existence, (there is now one in London), but this is unlikely to happen fast enough to cope with the changes unfolding. So, in unparished areas where there is no structure to absorb new responsibilities or in parished areas where Parish Councils simply refuse to take them on because they feel they are not designed to cope with them, buildings and open spaces will either be developed or sold off or handed over to community or other bodies and services will either be passed on to arm's length organisations who may or may not make a success of them, curtailed or cut.

Local Councils have lobbied for years for more powers to come their way, especially planning powers, but they are not being asked to take on planning powers and the incomprehensible and unstructured way in which these new responsibilities are coming at them is leaving them breathless and confused. There is no proper conversation taking place with them at grass roots level which is enabling them to get their minds around what is happening and there are no support mechanisms in place to help them ratchet up to a whole new level – if indeed they wish to. It would appear that they are being simply expected to put up their precepts - in some cases several fold – and simply get on with things.

For organisations which regularly lobby national government – and this includes NALC as well as the Third Sector and national environmental bodies – it is going to mean them having to seriously re-think how they function and where they aim their lobbying in future.

When a new regional quasi-governmental structure was introduced into England in the 1990s, comprising regional assemblies and regional development agencies as well as regional government offices, Local Councils set up regional federations to react to them and many voluntary and environmental bodies were able to raise their game and appoint regional officers to pick up the new level of work and react to it. It helped enormously that, at the time, the general economy was buoyant and charitable giving was higher than it has been in the last 10 years.

Because the key outputs from that regional working were statutory spatial planning documents that overlaid Local Plans, and also regional economic strategies (which had to be taken into account as material considerations), the Campaign to Protect Rural England (CPRE) – whose raison d'être is planning – established regional groups and appointed regional policy officers. These had some significant successes in influencing the Regional Spatial Strategies in particular. CPRE's contribution and that of other environmental NGOs was tangible in helping to make Regional Spatial Strategies (RSSs) and Regional Economic Strategies (RESs) more environmentally sound than they would have been without their input. What helped enormously was the fact that regional assemblies (subsequently the leaders' forums) were required by national government to function with a membership which comprised 60% of elected members and 40% of social, economic and environmental partners (colloquially referred to as SEEPs). In addition to this requirement, the assemblies also catered for the engagement of Local Councils.

There is no requirement in place for the new Combined Authorities to have any kind of participative arrangement which will enable Local Councils, the voluntary/ social sector or the environmental sector to be part of the new bodies coming into existence. On the other hand, the LEPs - Local Enterprise Partnerships - which represent the economic sector, have been a fundamental part of the Combined Authority bids at the insistence of government. This is creating an unbalanced emphasis on 'growth'.

It is not a co-incidence that eight of the nine sub-regional Combined Authorities that have been agreed in principle or signed-off have opted to take powers to produce a spatial framework planning document for their area. (Cornwall was the only exception and it would clearly have been a pointless exercise for them to do this on top of the Local Plan which covers the same geography).

One of the few 'requirements' by governments regarding the bids for CA status is that they must demonstrate a high degree of ambition to drive growth. In order to deliver growth in a physical form on the ground, they will need an appropriately compliant statutory planning document in place which enables it. This is a major worry for environmental NGOs such as CPRE and it will become of increasing concern for those living on the urban fringe and in loosely defined 'growth corridors' where new development is being targeted most.

There is, clearly, a huge potential for sub-regional bodies that are much more in control of their own destinies. As the 'Centre for Cities' like to quote, there are many excellent examples from other countries where major cities and/or sub-regions and/or regions work very well by having devolved administrations. But it would be interesting to know how many of them were formed without a template of some sort to work to and with such an enormous democratic deficit. Here in England at the moment there is a situation where (according to Local Authority chief executives) the principal authority level is "going into meltdown" financially while the principal authority councillors bicker amongst themselves about Combined Authorities and Unitary Authorities. Beneath that level, Local (Town and Parish Councils) are confused and struggling to cope with what is coming at them in a chaotic way and at a pace they do not have the capacity to handle. This is a seriously unhealthy situation.

The last time that local government in England was put through the wringer en masse was in 1974 when Metropolitan Counties and Boroughs were introduced in major conurbations and Urban District Councils and Rural District Councils were done away with. But, regardless of objecting voices, at least everyone involved was working to a recognised new modus operandi in contrast to the current totally disparate picture which is raising more questions than it is answering.

The government's case is that local structures should reflect local needs – but is it the right way forward to press LAs to form coalitions within absurdly short timescales and then leave local politicians to slug it out as best they can? Are local power struggles and feuds likely to result in the best outcomes? Should growth be the main driver rather than sustainability? What happened to the three pillars of sustainability, economic, social and environmental issues? Where does the countryside feature?

There is undoubtedly a case for doing things differently in the 21st century than they were done over 40 years ago, but major local government re-organisation needs to be properly considered from all angles. Ideally, case studies from elsewhere should be thoroughly analysed and various options should be properly consulted upon with wider stakeholders. (In almost every case around the country, consultation is only being carried out after the deals have been negotiated. Durham and Lancashire are rare exceptions).

Interestingly, as this report was reaching this conclusion stage, a plan to reduce the number of Welsh Councils (all unitary since 1996) from 22 to eight or nine has been scrapped. This was decided after a long gestation period. Now, other ways of reforming local government in Wales are now being explored.

The more piecemeal and hasty approach being adopted in England could mean that – for some areas – there are five tiers of local government. In those two-tier parts of the country where shire counties still exist, there will be Local Councils, District Councils, County Councils, Combined Authorities and central government. And it could be even worse than that! Local Councils have long been encouraged to 'cluster' but have resisted the suggestion in the past. However, it is not beyond the realms of possibility that some may decide to set up a new level simply for the purpose of delivering certain services (with joint staff) whilst retaining the individual parish councils to carry on looking after the very local level.

Would the public stand for a convoluted and multi-layered system – let alone be prepared to pay for it?

One of the many issues which ought to be considered properly before launching into Combined Authorities in England and making assumptions that 'double devolution' is the way forward is the need to make some judgements about the longer term. An increasingly common question being asked in local government circles is - Are District Councils going to gradually disappear?

Some go further and ask more searching questions such as - Are we moving away from the principal authority model as we know it? If Local Councils are going to step up and or combine and become more empowered entities, is there going to be a point in keeping another level of government between them and the Combined Authorities?

Are Parish Councils as currently constituted in a position to pick up the slack at the local level? Would a hugely increased amount of responsibility put people off people from volunteering to serve as Parish Councillors? Is a revolution needed at that level? And what about the (apparently blithe) assumptions that

local taxpayers will simply go along with vastly increased parish precepts to pay for their Town and Parish Councils to be better resourced?

At the CA level, we also need to be asking if we are happy for more power to be placed into the hands of a few individuals at that level who – apart from a mayor if there is one – are not directly elected to do that job? Surely, the fewer people with more power means that they are going to be more remote?

And how are people going to feel about big companies not noted for their environmental credentials being encouraged by government to come up with marketing strategies based on a 'Northern Powerhouse'. There are already concerns around undefined growth strategies such as the 'Atlantic Gateway' being promoted by Peel Holdings - which now covers a vast percentage of Cheshire and Warrington and which is being promoted in the Cheshire East Local Plan.

And what about the impacts of the EU referendum vote?

Last but not least to consider are the uncertainties created by the European Referendum vote. What impacts might that have on the devolution agenda? Following on from the UK having decided by a majority to leave the EU, some areas such as Cornwall and Newcastle that have struck devolution deals and which have been in receipt of regular significant sums of European funding, are seeking reassurances that the full financial packages they were expecting will still be maintained.

As for those areas still trying to achieve deals, there is a presumption that central government's focus will now be elsewhere. Local Government Chronicle (LGC) quoted Rob Whitman, chief executive of the Chartered Institute for Public Finance & Accountancy, as saying that the move to Brexit would *"dominate the policy agenda and civil servants' time"* and also: *"We have to assume it will have an impact on slowing up or crowding out other policy development that would have taken place"*. That said, he then pointed out that there could also be opportunities for local government. *"If we're taking powers from Brussels, will they be centralised or will they be devolved?"* he asked.

Certainly Lord Porter, chair of the Local Government Association, was quoted by LGC as saying he believed that the local government sector had a big part to play in *"picking up the pieces"* following the fallout from the referendum. He said he would be *"making the case"* that some of the money sent to Europe should be redirected to local government and he would be *"arguing strongly"* that powers handed back to Britain were not *"delegated to the British civil service to do"*. This was also very much the line being taken by the Municipal Journal who are urging that the vote *"must not be allowed to derail devolution"*. Writing on June 24th, Heather Jameson said: *"As European funds for councils dry up, local government must get its fair share of the money previously sent to Brussels"*.

It could also be argued, of course, that some of the money previously sent to Brussels could be used to assist the Third Sector/social and environmental partners to engage with CAs in the same way they were able to with Regional Assemblies and for the same reason - to ensure balanced outcomes.

The questions that this whole scenario raises are endless. It is not possible to come to sound 'conclusions' as such about them – except for a main one that more people need to understand what is actually going on – a revolution in the way things are governed. There are, however, some recommended ways forward.

RECOMMENDATIONS

Despite very vocal criticisms, particularly from local authority leaders, that the unfolding devolution scene is something of a 'dog's breakfast', it is not currently looking very likely that central government will be drawing back any time soon from shaking up local government, nor from the path it has chosen to make it happen. It insists that initiatives must come from the principal authorities who must work out for themselves how they see the whole scenario functioning.

Once it is understood what is happening, ie. 'double devolution', and what the implications might be, it is not difficult to compile a list of all the things that stakeholders could consider calling for.

In addition to the obvious:

- ❖ Greater transparency
- ❖ Proper buy-in/involvement of the first tier of local government, the Third Sector/environmental NGOs, eg seats on devolution bodies. Not just meaning full consultation, although is essential also.
- ❖ A full explanation of the implications at the local level, ie. much higher precepts in parished areas, much more being demanded of Local Councils. (More clarity would be achieved if LAs involved in Combined or Unitary Authority bids produced frameworks for Local Councils and community groups similar to that published by Cornwall – see footnote 8 on page 24).
- ❖ Government guidance for sub-regional spatial frameworks which requires rural proofing.
- ❖ Addressing how the Third Sector/ Environmental NGOs can engage with LEPs

They need to be considering:

- ❖ Whether they should be calling for common constitutions across all Combined Authorities which embed sustainability within them and which would be properly understood by everyone. These might include a requirement to have a structure that represents all key sections of society.
- ❖ Whether or not they support the County Councils' call for a Royal Commission and lobbying for it
- ❖ Whether or not they agree with the Lords' Constitution Committee that all devolution deals should be subjected to a proper and thorough appraisal process and lobbying for this
- ❖ Whether or not they agree with any recommendations that emerge from the democratic engagement study being carried out by Exeter University for Cornwall CA and/or whether or not they should be commissioning or carrying out any relevant studies of their own

They could also be thinking about:

- ❖ How they might collaborate with others in order to have a bigger voice and achieve more (eg. like London's 'Just Space' Network) – see appendix 3.
- ❖ How they can raise greater awareness about what is going on/ mount a proper media campaign
- ❖ How can they make themselves useful to those who will be struggling to make devolution work?
- ❖ Drawing up guidance for the production of spatial frameworks and offering it to government. Ideally this would include a requirement that they are rural-proofed and that they include health impact assessments which incorporate air quality.

And, of course, they need to be examining their own organisations and thinking about how they are going to find the capacity to interact with the structures and agendas unfolding before them, particularly (in the case of CPRE) the Spatial Frameworks. Often a lot of effort can be put into cross-branch/cross County working. Might it be more logical and a better use of resources to consider merging some branch administrations (even if not the separate charitable bodies) to match the emerging CAs? A more short term measure, however, would be cross-branch working groups.

Local Councils need to also be looking at their internal structures. Is there a need to think about re-forming something which resembles the former Rural District Councils? Should some County Associations consider merging to match the Combined Authorities?

Currently, with few exceptions, both the County Branch set-up within CPRE and the County Associations within NALC reflect the pre 1974 local government boundaries. As the years have rolled by, their structures have

both become increasingly out of line with those of local government. Perhaps now that local government is undergoing this major transformation, it is time for both to think about reorganising themselves in order to relate better? The two organisations have worked together in the past because of their shared interest in planning. More Parish Councils than not are members of CPRE and many CPRE activists are Parish Councillors. Is closer collaborative working something to think about?

Bodies wishing to engage with the CAs might consider pushing for a model of engagement similar to that which functioned surprisingly well for the Regional Assemblies/Leaders Forums, ie. the SEEPs - social, economic and environmental partners. In the case of the CAs, the LEPs are already integral to the process, but the social and environmental elements are missing. Perhaps something that CPRE and NALC might both consider is the appointment of Sustainability Champions who will focus their efforts on the CAs and the mayors?

An early move for both CPRE and NALC to make would be for them to write to the mayoral candidates and ask to meet with them in order to push their agendas and lobby for maximum transparency and a voice at the CA level. Identifying other partners who want to work with the CAs is going to be important. It is noteworthy that, in Greater Manchester, the Third Sector is already making an early mark and offering to deliver some services – for a fee.

The new type of government is going to require a new way of co-working. Those bodies which get their minds around what is happening the fastest are the most likely to have an influence on it.

The Centre for Public Scrutiny (CfPS) report, *Cards on the Table – Tips and tricks for getting in on the action of devolution* – makes a number of very sensible suggestions for analysing what is happening and for trying to relate to it. They came up with a proposed template to use in order to try and get somewhere. It is worth reiterating here some of their recommendations.

The CfPS strongly recommend that there should be a proper governance framework in place for the CAs. They suggest they might contain agreements on the following:

- How councils and other partners in an area covered by a devolution deal will develop policy. Address who will be involved, what evidence will be used and what information will be published and when.
- How performance will be monitored. Who will be responsible for monitoring performance and when will this happen? Who will supply the data? How will performance management across participating members of a devo deal be combined and shared across partners and with those who provide scrutiny?
- How will scrutiny of the Combined Authority be carried out? (Consider having a CA overview and scrutiny committee).

These agreements, they suggest, will need to be informed by a common understanding of the outcomes that the area is trying to achieve – which in most cases will be wide ranging.

The CfPS concludes that the successful delivery of outcomes in a wide variety of policy areas will require a governance framework which is able to engage with, and deliver alongside, a range of local partners. These potential partners need to be making pitches to the CAs, flagging up reports such as 'Cards on the Table' and any others they identify or commission themselves about best practice.

- The CfPS also came up with four key principles which they regarded as particular importance to those responsible for building new governance arrangements. They were: Be flexible and able to evolve over time. Under devolution in England, councils have been keen to agitate further powers once the initial deal is done. In itself, this means that the role of the Mayor and Combined Authority are likely to continue to evolve – and governance needs to evolve with them.
- Be proportionate and light touch. Nobody wants to establish some overarching, complex bureaucracy attached to the mayor and Combined Authority. Resourcing will be tight.
- Ensure blending of formal and informal mechanisms. 'Committee-centric' oversight arrangements for the work of the CAs will be inadequate because decision-making will be focused on a range of partners – the mayor, the CA and "possibly smaller clusters of councils and individual authorities –

not to mention the large number of partners involved (including in some cases, parish and town councils)". Traditional formal scrutiny arrangements are ill-equipped to deal with this challenge

- Building on the principle of subsidiarity, it is accepted by most that, under devolution, steps must be taken to continue to push power down to the lowest appropriate level. Governance systems must be built that recognise this and facilitate it.

Meanwhile a complementary set of criteria for good governance has been drawn up by the Local Government Association. This involves answering important questions under six headings:

- **Civic Leadership.** Does the model provide for effective place-based leadership?
- **Considered judgement.** Does the model support high quality decision-making processes that go beyond discovering the self-interested preferences of various stakeholders?
- **Transparency and efficiency.** Does the model make it crystal clear who is making decisions, on what issues and how?
- **Accountability and legitimacy.** Does the model provide for effective public involvement in decision-making?
- **Inclusive business involvement.** Does the model provide for effective involvement of the voices of business interests? What role will LEPs play in governance arrangements?

It is comforting to note that the LGA is drawing up these guidelines for its members but it would be much more comforting if their criteria saw the need for 'inclusive involvement' of the social and environmental sectors in order to ensure a balanced outcome. Undoubtedly, therefore, one of the targets for an organisation such as CPRE to aim for is to try and persuade the LGA to adapt its governance criteria to be more genuinely inclusive.

An organisation such as the LGA is not one which CPRE has historically had a lot of dealings with. But it is now going to have to re-think who it lobbies and how. For instance, in order to get across national policy positions, it is not going to be adequate in future for CPRE National Office to focus on national government departments. It is going to have to also focus on the Combined Authorities. And the same applies to the National Association of Local Councils. In order to fight their corner from now on, they are going to need to pitch some of their messages at the CAs whilst, at the same time, arguing to be an integral part of them. So much of what is going to happen at the principal authority and CA level is going to affect Town and Parish Councils and it is only right they should have a voice at those levels.

Both organisations have a role to fulfil in reminding CAs and new Unitary Authorities not to overlook the countryside and to that end they might consider promoting structures which are aimed at countryside protection. They should also not fail to point out that a beautiful countryside contributes not only to health and well-being but also to GVA. It may be that there is a joint campaign along these lines that they might consider engaging on. They have previously worked together successfully on neighbourhood planning.

However, the fact of the matter is that the devolution agenda is going to force both bodies to review their working practices and their internal structures to ensure they are fit for purpose.

APPENDIX 1**ENGLISH DEVOLUTION PAPER**Introduction

1. Prior to the May 2015 General Election, the Chancellor of the Exchequer committed the Coalition Government to supporting English devolution. He foresaw the 'Northern Powerhouse', a shared agenda amongst all the northern city regions, as being the frontrunner for this initiative. In November 2014, the Chancellor and Greater Manchester civic leaders agreed to create a Combined Authority, headed by the first directly elected metro-wide mayor outside of London, with powers over transport, housing, planning, health and policing. In his July 2015 Budget speech George Osborne announced that agreement had been reached with the leaders of the ten councils of Greater Manchester to devolve further powers to the new Combined Authority including fire services, a land commission and collaboration on children's services and employment programmes. The ten Greater Manchester authorities are progressing a statutory Spatial Framework planning document which they are consulting on.

2. The 2015 Queen's Speech included provision for a 'Cities and Local Government Devolution Bill' which confirmed the new Government's wish to devolve powers and budgets to boost local growth in England by enabling both unitary authorities and counties to enhance their existing powers under the 2011 Localism Act. The new authorities could have responsibilities for police and crime, health and social care, welfare, housing and planning as well as Combined Authorities' existing powers over economic development, regeneration and transport. Any devolved authority would have to have an elected mayor although this provision was rejected in July 2015 by the House of Lords.

3. The Chair of the County Councils Network, David Hodge, has said that the new Government has to carefully consider the contribution that county areas can make to supporting local businesses, given their limited existing powers. Councillor Hodge was quoted as saying "With devolved powers similar to those being offered to cities, councils in two tier areas could achieve some spectacular gains." This ambition would also, presumably, apply to those parts of the country with existing unitary authorities. Already, shire counties such as Buckinghamshire, Oxfordshire and Northamptonshire are proposing to pool their transport planning and investment strategies.

4. At the end of June 2015, the Communities and Local Government Secretary, announced that there would be no more devolution unless devolved authorities had the backing of business via Local Enterprise Partnerships (LEPs). He said he would expect the boundaries of such authorities to be based on those of the LEPs and that "no devolution deal will be signed off unless it is absolutely clear that the LEPs will be at the heart of the arrangements". Recent evidence from South West England indicates that devolution bids by local authorities will indeed generally be based on LEP boundaries.

5. In his July 2015 Budget the Chancellor clarified that the provisions already announced for Greater Manchester were available to other cities. He said the government was working towards deals with the Sheffield and Liverpool City Regions and Leeds and other authorities in West Yorkshire and he confirmed that he was pushing for more powers and responsibilities to be devolved to the Midlands. He said that the unitary Cornwall authority would have a greater say over local decisions - the Government later confirmed that it would devolve powers over bus services, local investment, and health and social services to Cornwall.

6. Immediately after the Budget speech the Government published a Command Paper, 'Fixing the Foundations: Creating a More Prosperous Nation'. This envisaged that, "By the end of this Parliament, a regional network of cities, working together to take responsibility for their own prosperity, will underpin a thriving Northern Powerhouse and growth across all of the country's regions." The paper confirmed that "The government also remains open to any further proposals from local areas for devolution of significant powers in return for a mayor."

7. The 'Fixing the Foundations' Command Paper, referring to rural areas, states "It is important that all areas of the economy contribute to, and benefit from, productivity growth". In late August 2015 the Secretary of State for Environment, Food and Rural Affairs, together with the Chancellor of the Exchequer, launched a new 'Ten

Point Plan' for rural productivity. This Plan includes provisions for starter homes development in rural exception sites, more Enterprise Zones in rural areas promoted by LEPs, and the relaxation of the current threshold for converting agricultural buildings to residential use.

CPRE's Position

8. CPRE wants to see a thriving, diverse and productive countryside throughout England, a countryside that is valued by all. Economic growth, to be sustainable, must create wealth and jobs and meet social needs whilst protecting and maintaining the English countryside, which is valued for recreational, health, biodiversity and aesthetic reasons as well as being essential for food production and other agricultural produce. A high quality rural environment is vital for public well-being. Crucially, it affords a most significant economic benefit to urban areas.

9. It is evident that devolution is, increasingly, becoming a 'fact of life' for those concerned with rural issues. CPRE, in principle, neither favours nor opposes devolution in England, nor does it support any particular model for devolution. It recognises that, in part, devolution initiatives are a response to the aspiration to promote investment where it is needed throughout England. Barriers to investment in the less prosperous regions do need to be lowered to make it easier for businesses to operate. Devolution need not be harmful to the countryside provided that new development is, essentially, accommodated on previously developed sites. CPRE is committed to the 'Smart Growth' agenda.

10. In certain respects, delegating powers to the most local appropriate level is to be welcomed. However, there are two areas which this paper identifies as potential causes of concern. The first is that the implications of devolution for the English countryside are being overlooked with debate concentrated on city regions and urban-centred "Powerhouses". This has many adverse implications for rural areas, including, potentially, the exacerbation of the existing shortage of affordable housing. The second is that there is the danger of a democratic deficit emerging, particularly given the importance that government is attaching to the role of Local Enterprise Partnerships (LEPs) in the evolution of devolved/combined authorities. These two issues are considered below.

How Can the Countryside Best be Protected within Devolved Authorities?

11. In order to ensure that the countryside is protected, and that rural areas prosper within a devolved system of government, comprehensive planning powers with a strong specific environmental remit must be incorporated within the responsibilities of devolved authorities. In particular, it is essential that the devolved authorities are required to protect land with existing planning, biodiversity, and landscape designations. These include Green Belts, commons and urban open spaces, Sites of Special Scientific Interest and local nature conservation areas, and National Parks, Areas of Outstanding Natural Beauty, locally designated landscape areas and locally distinctive landscapes and amenity areas, including those with no formal designation. Devolved authorities should, additionally, commit to the protection of the best and most versatile agricultural land and they must also be required to take on board the issue of environmental capital in their decision making.

12. Each devolved authority needs to have at least one elected member and an officers group concerned solely with rural issues, including the protection of the countryside and the promotion of local rural enterprises and environmentally sensitive rural tourism. These members and staff will need to work closely with the rural group within a reformed and accountable Local Enterprise Partnership or Partnerships. Each devolved authority should be required to develop a rural strategy with the involvement of all relevant stakeholders.

13. In addition, in order to protect the countryside, CPRE advocates that each combined/devolved authority should sign up to the principles of 'Smart Growth'. Authorities should support the concept of 'Brownfield First', incorporating release of publicly and privately owned urban land for development purposes. This would reduce the inefficiency of long-distance commuting and reinforce the economies of inner cities and towns. Smart growth would require the construction of new well designed, higher density housing and employment centres within urban areas and the support of measures to achieve improvements to, and greater efficiencies within, the existing housing stock to reduce under-occupation.

14. Each devolved authority should be required to prepare a land use strategy for its area to identify how the various demands on land made by different sectors interact and to evaluate the consequences of these actions. A particular area of work should be the determination of the economic benefits of a thriving and protected countryside for the economic future of the overall devolved authority and surrounding areas. The strategy for each area should, in particular, include measures to protect agricultural land. This means that, in some areas, 'lower grade' as well as the best and most versatile land should be specifically protected.

Is There a Potential Democratic Deficit?

15. CPRE has significant concerns as to how democratic accountability will be achieved within devolved authorities. Throughout England, decisions are already being taken by existing local authorities to 'combine' without any popular mandate to do this and without any meaningful consultation. Some combined authority configurations may inadequately reflect concerns about the countryside because they are dominated by 'urban interests'.

16. An elected mayor may no longer be an absolute requirement in the light of the House of Lords vote. If mayors are in place, they will report, initially, not to a directly elected council or assembly but to a committee of council leaders and to some form of scrutiny committee which Combined Authorities are required to establish. Any devolved authorities will need, as soon as possible, to have democratically accountable assemblies with representatives of all communities within their jurisdiction, including rural areas.

17. How would devolution in England accommodate another of the Government's basic policies – localism and, in particular, the drive towards neighbourhood planning? From a grassroots perspective, decision making over issues such as affordable housing, local infrastructure, and provision of community facilities could be seen as moving away from the relatively local district authorities that administer much of rural England upwards to larger and more remote devolved bodies which still may not be large enough to be properly strategic. It would be hard to argue that devolution will be empowering the average citizen.

18. Compounding this are issues related to the essentially unaccountable Local Enterprise Partnerships (LEPs). LEPs are seen by the Government as having a pivotal role to play in devolution in England even though they are non-statutory and have limited legal status. LEPs must incorporate strong political accountability for all their decisions and use of public money and they must not only be driven by the interests of big business. LEPs should publish a rural strategy with a focus on the local economy, communities and the environment.

19. This raises the potential role of Local Nature Partnerships (LNPs). Although envisaged in the National Planning Policy Framework (NPPF) as having a formal role in strategic decision making, in practice LNPs are in no way a counterbalance to the LEPs as they have access to relatively few financial resources. In any case, as currently configured, LNPs rarely cover the same areas as LEPs. It is concluded that it is the LEPs that need to be reformed to incorporate their operations within those of the democratically elected devolved authorities.

Implications for CPRE

20. English devolution is very likely to have implications for CPRE, whose Branch organisation is currently based largely on the county boundaries that applied before the 1974 local government reorganisation and whose regional structure may not reflect future administrative boundaries. In the future, CPRE may well need to place a greater emphasis on urban issues as it is development pressures from urban areas, where many CPRE members live, that create the greatest stresses in the countryside.

21. It is evident that the challenges of English devolution could sideline rural and environmental issues. CPRE, together with other organisations concerned with the future of the English countryside, will need to campaign to ensure that the environmental voice and rural interests are formally represented within any new structures that are introduced. This will have resource implications for CPRE, particularly where Branches are relatively weak.

22. In the short term, CPRE Branches will have to work together to respond to any documentation emerging from Combined Authorities. Those responsible for producing policy and other guidelines within the Memorandum of Understanding initiative need to take on board the findings of this paper.

Conclusions

- i) It is increasingly evident that English Devolution will be a key factor in future decision making about local tax-raising and spending, housing, planning and other related issues.
- ii) There is a very real danger that, whatever model of devolution is adopted in different parts of England, countryside-related concerns will be submerged by an imperative to achieve development through urban-based growth.
- iii) Combined/devolved authorities must have members and paid staff dedicated to the protection of the countryside and the support of sustainable rural enterprise. It is essential that devolved authorities embrace the concepts of environmental capital and Smart Growth and that they be given a statutory requirement and dedicated resources to protect existing planning, biodiversity and landscape designations, other valued but undesignated landscapes and agriculturally productive land.
- iv) There is a significant danger that decision-making in devolved authorities will suffer a democratic deficit, particularly if unreformed Local Enterprise Partnerships are afforded the significance in the work of these authorities that appears at present to be proposed by the Government. LEP operations need to be incorporated within the remit of democratically elected devolved authorities.
- v) Social, economic and environmental partners (SEEPs) including CPRE need to have a formalised role both in determining the boundaries and functions of devolved authorities and in working with devolved authorities across a range of urban and rural issues. SEEPs are well placed to shape the scope and policies of devolved authorities as they have the expertise and strategic overview to reflect local interests without being parochial.

Footnote

Following the Scottish Independence referendum and subsequent presentations and discussions at the meeting of the CPRE Branch Forum in October 2014, the Chair of the CPRE Branch Forum and the Chief Executive Officer agreed that the Forum should establish a Group to examine the implications of the moves towards English Devolution for the countryside and for CPRE. Representatives from each of the CPRE Regions agreed to join the Group under the Chairmanship of Tim Murphy (South East).

The Group comprises Richard Cowen and Howard Elcock (North East), Lillian Burns (North West), Andy Topley and John Lambert (Yorkshire and Humberside), Bettina Lange (East Midlands), Mark Sullivan (West Midlands), Robin Hogg and Richard Nicholls (South West), John Croxen (London), David Jarman (South East), and Michael Monk (East Anglia). In addition, Richard Knox-Johnston (Branch Forum), Neil Sinden (National Office), Edward Dawson (South East), Nick Thompson (North West) and Ian Biddulph (East Midlands) have been corresponding members of the Group which has held two meetings, one in London in mid April 2015 and the other in Manchester at the beginning of June.

TIM MURPHY, Chairman, Surrey CPRE Branch and Chairman, CPRE Devolution Working Group

APPENDIX 2 - CPRE NEWS RELEASE***New alliance calls for "Smart Growth" investment in cities not more 1980s-style sprawl*****20 FEBRUARY 2013**

A new alliance of civic, environmental and transport bodies including the Campaign to Protect Rural England (CPRE), the Campaign for Better Transport, and Civic Voice, today calls for a radically new 'Smart Growth' [1] approach which they want adopted for any new large scale developments. They are backed by respected figures from all three main political parties, including Tory grandee and former Environment Secretary Lord Deben (John Gummer).

The alliance believes that the low-density, car orientated suburban schemes of the 1970s or 1980s, like Milton Keynes or Bradley Stoke in Bristol, are not the way forward. Instead, for example, new development should blend the well-designed family terraced housing with gardens of a typical British Edwardian suburb [2], with cutting edge practice from across the world, such as recently developed 'eco-suburbs' in Freiburg (Germany) and Stockholm. These developments:

- provide energy-efficient housing at high residential densities;
- reuse brownfield land as much as possible;
- are easily linked to town and city centres by public transport;
- and are designed so that walking or cycling are the norm for everyday travel.

The call comes as the Government prepares to publish a long-awaited prospectus for major new development. According to a little-noticed recent report [3], developers are formulating proposals for a new generation of 'garden cities' in south east England, involving up to 250,000 homes on greenfield land, with 170,000 of these to be located either along the M11 and A14 corridors, or between Oxford and Cambridge. Such an approach threatens to take us in precisely the opposite direction to smart growth, increasing congestion on those roads and forcing people to rely on cars.

Conservative peer and former Environment Secretary Lord Deben said: 'Land, that precious scarce resource, will be at a further premium as the world struggles with rising food prices and scarcity. Let's concentrate on recycling already-used land. There are more than sufficient sites for the housing we need. It only requires imagination, energy, and Government drive to unlock them. Building on green fields is the lazy way to sacrifice our future.'

Labour MP for Stoke on Trent and historian Dr Tristram Hunt said: 'Britain has so far been spared from US-style, countryside-gobbling, urban creep, but plans to build new cities along the M11 are a recipe for suburban sprawl.'

Ministers need to focus on keeping our cities alive, and preserve our countryside through smartgrowth. Good quality, high density housing schemes on brownfield sites should be the priority.'

Liberal Democrat MP for Cheltenham Martin Horwood said: 'The Smart Growth principles offer an alternative to constant overdevelopment of areas already under pressure. Developers will always chase low density, greenfield development regardless of the environmental and social consequences because that is what makes them the most profit. But we need an alternative vision which promotes the recovery of derelict land and buildings, urban regeneration, genuinely sustainable communities and the protection of treasured and important green spaces.'

CPRE Chief Executive Shaun Spiers said: 'We need many more new homes, but it is equally critical not to repeat past mistakes. We want new developments that are beautiful in their own right, take up as little of our precious countryside as possible, and save residents from reliance on cars. If the Government is intent on developing new towns, they must demonstrate how they can be sustainable. A good start would be to commit to applying smart growth principles in their construction.'

Chris Brown, regeneration expert, concluded: 'The best towns and cities constantly renew themselves organically for the benefit of their citizens and it's common sense to make best use of our existing infrastructure. This is what SmartGrowth delivers.'

End

Notes to Editors

[1] Smart Growth is a holistic approach to land, transport and community planning. Smart Growth aims to prevent urban sprawl; make best use of brownfield land in towns and cities; provide and encourage sustainable transport; protect countryside and heritage and create sound communities. It was first articulated in North America as a response to the way urban areas had developed there.

The alliance of organisations believes these principles can be adapted and used to achieve similar benefits here. In England alone there is sufficient brownfield land available and suitable for residential development for 1,494,070 new dwellings. This is equivalent to around 6 years' supply at the building rates the government claims we need and 10 year supply at 2009 building rates. (2009 figures from the National Land Use Database quoted by CPRE, Building on a Small Island, November 2011). Many sites are stalled or part-built due to lack of finance, and the alliance urges the Government to prioritise building on these before sacrificing countryside for new settlements.

A full list of large brownfield sites available for development across England is available from the Homes and Communities Agency (HCA) website: www.homesandcommunities.co.uk/sites/default/files/our-work/NLUD2009SitesMV.zip. The HCA has also shortlisted a number of sites under the Get Britain Building initiative (www.homesandcommunities.co.uk/get-britain-building). Some of these will be given Government support to take forward development already granted planning permission. For purely illustrative purposes, some of the larger examples on the shortlist involving brownfield urban sites include:

Britannia Music site, Ilford, London (up to 350 new homes)
 Bromborough Pool, near Port Sunlight, Wirral (up to 228 new homes)
 New Islington, Greater Manchester (up to 45 new homes)
 Oceanique, Derry's Cross, Plymouth (up to 413 new homes)
 Chatham Place, Reading (up to 184 new homes)

The following brownfield sites are amongst those already receiving funding under the initiative:

Western Riverside, Bath (more than 2,000 new homes)
 Heron's Reach, Oldham, Greater Manchester (41 new homes)
 Carlisle Park, Rotherham, South Yorkshire (up to 400 new homes)

For more details see Meeting the Growth Challenge – the Smart Growth Approach, the series of principles agreed by the alliance, available from:

<http://www.cpre.org.uk/resources/housing-and-planning/planning/item/download/2872>

The signatories to the statement include the following companies and organisations: All Party Parliamentary Light Rail Group; Association for the Protection of Rural Scotland; Association of Small Historic Towns and Villages of the United Kingdom; Campaign for Better Transport; Campaign for the Protection of Rural Wales; Campaign to Protect Rural England; Chartered Institution of Water and Environmental Management; Civic Trust for Wales; Civic Voice; Igloo Regeneration Fund; Light Rail UK; North of England Civic Trust; Scottish Civic Trust; Ulster Society for Protection of the Countryside.

[2] The CPRE London report Family Housing – the power of concentration (April 2008) provides further details, with illustrations and locations, of good practice in some recent housing developments in urban areas. The report is available from www.cpre.org.uk/resources/housing-and-planning/housing/item/download/450.

[3] The GVA report, Unlocking Garden Cities (February 2013), is available from www.gva.co.uk/research/. See pages 4 and 5 for more details of proposed new settlements along the M11 and A14 corridors.

The Campaign to Protect Rural England (CPRE) fights for a better future for the English countryside. We work locally and nationally to protect, shape and enhance a beautiful, thriving countryside for everyone to value and enjoy. Our members are united in their love for England's landscapes and rural communities, and stand up for the countryside, so it can continue to sustain, enchant and inspire future generations. Founded in 1926, President: Sir Andrew Motion, Patron: Her Majesty The Queen. www.cpre.org.uk

<http://www.bettertransport.org.uk/> Campaign for Better Transport is the UK's leading authority on sustainable transport. We champion transport solutions that improve people's lives and reduce environmental damage. Our campaigns push innovative, practical policies at local and national levels. Campaign for Better Transport Charitable Trust is a registered charity (1101929).

Civic Voice is the national charity for the civic movement. We lead and support civic societies as a national movement for quality of place, with people actively improving their towns, cities and villages and promote civic pride. We speak up for civic societies and local communities across England. We believe everyone should live somewhere they can be proud of.

Further information is available at <http://www.civicvoice.org.uk> including contact details for local civic societies. Facebook

Registered charity number: 1089685, registered company

APPENDIX 3

Just Space

There are environmental networks in existence in most parts of the country but it is likely that a coalition of both environmental bodies and Third Sector bodies would be more successful in interacting with Combined Authorities.

It is worth flagging up here London's 'Just Space' network which is a well-co-ordinated collaboration of 'communities of interest' who engage with (amongst other things) the London Plan. Historically the Just Space network has been focused on affordable housing and other housing issues but, with the input of CPRE London Branch, Friends of the Earth and UCL students, it is now also focusing on green space issues.

The 'Just Space' website is at <http://justspace.org.uk/about/>

The organisation has a paid officer and is supported by the London Forum of Civic and Amenity Societies: <http://www.londonforum.org.uk/>