



In Focus

Devolution to City Regions in England

On 17 November, it was [announced](#) that agreements had been reached between local authorities and central government on devolving power in some policy areas to two regions, Liverpool and the West Midlands. They join four other city regions in England—Greater Manchester; South Yorkshire; the North East; and Tees Valley—which signed devolution deals between November 2014–October 2015.

Background

Devolution to local government was a policy of the 2010–2015 coalition Government, with the [Coalition Agreement](#) stating that the Government would promote “the radical devolution of power and greater financial autonomy to local government and community groups”. In 2012 and 2013, 28 city regions in England signed [City Deals](#) with central Government which provided for local authorities to assume new powers, including with regard to transport, business rates and adult education.

Following the result of the referendum on Scottish independence in September 2014, the Prime Minister, David Cameron, [stated](#) that alongside considering further devolution to Scotland, Wales and Northern Ireland, it was “also important we have wider civic engagement about how to improve governance in our United Kingdom, including how to empower our great cities”. In November 2014, the then Government published an [agreement](#) for devolution of more powers to the Greater Manchester Combined Authority. The agreement stated that the establishment of a new Mayor of Greater Manchester—one of the stipulations of the devolution deal—required primary legislation. The [Queen’s speech](#) in May 2015 included a commitment to introduce legislation to “provide for the devolution of powers to cities with elected metro mayors, helping to build a northern powerhouse”. The [Cities and Local Government Devolution Bill 2015–16](#) contains these provisions.

Deals to Date

City regions to have agreed devolution deals [so far](#) are Greater Manchester, South Yorkshire, the North East, Tees Valley, the West Midlands and Liverpool. Under the devolution deals, local councils unite under the banner of a combined authority. One condition of the deals is that the city regions agree to the establishment of the office of a mayor, who will be directly elected. Most of these mayors will be elected in 2017, though Greater Manchester already has an interim mayor who was [chosen](#) by a panel from the area’s ten boroughs. The powers delegated as part of these deals vary. However, common themes include transport, skills training, business stimulation measures, and housing. The regions will also receive [extra funding](#) as part of the deals; for example, Liverpool will receive £30m of extra funding per year for 30 years to stimulate economic growth, and the West Midlands will receive an extra £36.5m a year for 30 years for a fund to bring in private sector investment.

Opposition Party Policies

In its [manifesto](#) ahead of the 2015 election, the Labour Party stated that:

We will embark on the biggest devolution of power to our English city and county regions in a hundred years with an English Devolution Act. It will transfer £30 billion of funding to city and county regions, along with new powers over economic development, skills, employment, housing, and business support. This will include control over local transport systems so that in future, local bodies can integrate trains, buses, trams and cycling into a single network. We will enable city and county regions to retain 100 per cent of additional business rates raised from growth in their area.

However, in the [second reading debate](#) on the Cities and Local Government Devolution Bill 2015–16 in the House of Commons, the Shadow Secretary of State for Communities and Local Government, Jon Trickett, moved an amendment that the Bill not be given a second reading on the grounds that the Government's plans did not represent “meaningful devolution” and would leave some areas behind. The amendment stated:

That this House declines to give a Second Reading to the Cities and Local Government Devolution Bill [Lords], notwithstanding the need for devolution to local communities, because the Bill does not offer meaningful devolution to England and would leave behind England's town, county and shire regions, ignores the will of the people by imposing mayors as a condition of devolution, threatens the financial stability of local government by not offering a fair funding settlement, and fails to reshape central Government for a long-term commitment to devolution.

The [Liberal Democrat 2015 general election manifesto](#) stated that among other measures on devolution, the party would seek to “introduce Devolution on Demand, enabling even greater devolution of powers from Westminster to Councils or groups of Councils working together—for example to a Cornish Assembly”.

Comment

Writing in the [Guardian](#), Mike Emmerich argued that the Greater Manchester deal “marked a departure” towards real devolution, but that “we do not yet see the scale of investment outside London needed to turn it into reality”. The [Economist](#) contended that the deals are evidence of “Mr Osborne's ability to work with Labour-run northern councils”. However, the *Economist* also highlighted concerns over the accountability of the elected mayors, which will not be answerable to an elected assembly (as is the case in London) but “only to their cabinet, composed of the other council leaders”.

Further Information

- House of Commons Library, [Devolution to Local Government in England](#), 4 September 2015, SN07029

Library In Focus are compiled for the benefit of Members of the House of Lords and their personal staff, to provide impartial, politically balanced briefings on a selection of topical subjects. Authors are available to discuss the contents of the Notes with the Members and their staff but cannot advise members of the general public.

Any comments on In Focus should be sent to the Head of Research Services, House of Lords Library, London, SW1A 0PW or emailed to purvism@parliament.uk.