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Devolution to local government in England

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Summary

This note summarises the main developments regarding the process of devolution of powers to local government within England since 2014. It covers the devolution deals agreed between the Government and local areas up to March 2020, including the powers to be devolved, the procedures required for devolution to take place, and reactions to the policy from the local government and policy-making worlds.

This note addresses the debate around devolution of power to local government in England only. Local government is a devolved matter in Scotland, Wales and Northern Ireland. The Library has also published notes on the [West Lothian Question: the English Question; English Votes for English Laws](#); and notes on the [Cities and Local Government Devolution Bill](#) of 2016 and its [progress through Parliament](#).

1. Devolution in England: inception

1.1 Background: 2010-15

Following the 'no' vote in the September 2014 Scottish independence referendum, the then Prime Minister, David Cameron, announced that, alongside proposals for additional devolution to Scotland, Wales and Northern Ireland:

It is also important we have wider civic engagement about how to improve governance in our United Kingdom, including how to empower our great cities — and we will say more about this in the coming days.¹

This followed the production of several think-tank reports during 2014 making proposals for the transfer of additional powers to local authorities, or to local areas. These built upon the 2012 report [*No Stone Unturned: in Pursuit of Growth*](#) ('the Heseltine report'), which recommended the merging of various national funding streams to provide a single devolved fund for economic development.

1.2 Devolution deals

The first 'devolution deal' was announced by the Government and the Greater Manchester Combined Authority in November 2014. Following the 2015 General Election, the then Chancellor, George Osborne, gave a speech on 14 May in which he outlined the then Government's approach:

Here's the deal:

We will hand power from the centre to cities to give you greater control over your local transport, housing, skills and healthcare. And we'll give the levers you need to grow your local economy and make sure local people keep the rewards.

But it's right people have a single point of accountability: someone they elect, who takes the decisions and carries the can.

So with these new powers for cities must come new city-wide elected mayors who work with local councils.

I will not impose this model on anyone. But nor will I settle for less.²

The Government indicated subsequently that Government departments were expected actively to consider devolving powers wherever possible:

3.15 The government is committed to building strong city regions led by elected mayors, building on the ground-breaking devolution deal with Greater Manchester in November 2014. The Chancellor has asked all relevant Secretaries of State to proactively consider what they can devolve to local areas and where they can facilitate integration between public services.....

¹ See BBC, [David Cameron's statement on the UK's future](#), 19 September 2014

² HM Treasury, ["Chancellor on building a Northern powerhouse"](#), 14 May 2015

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3.16 As part of the Spending Review, the government will look at transforming the approach to local government financing and further decentralising power, in order to maximise efficiency, local economic growth and the integration of public services.³

To have their proposals taken into account in the autumn 2015 Spending Review, initial proposals for devolution from local areas were required to be submitted to the Treasury by 4 September 2015. The Government received [38 bids for devolved powers](#) by 4 September 2015.⁴ Some of the bids explicitly stated that they were intended to begin a discussion with Government rather than representing a final position.⁵ The *Local Government Chronicle* produced [a map of the state of play](#) in different parts of England as of February 2017, followed by a [further one in March 2020](#).

The pace of the devolution agenda slowed during the premiership of Theresa May. The Conservative manifesto for the 2017 General Election stated:

For combined authorities that are based around our great cities, we will continue to support the adoption of elected mayors, but we will not support them for the rural counties.⁶

The 2017 Conservative and other party manifestos said little else about devolution of power to local areas in England.

The tone changed under the first administration formed by Boris Johnson, who made a speech in Manchester on 27 July saying:

I do not believe that, when the people of the United Kingdom voted to take back control, they did so in order for that control to be hoarded in Westminster.

So we are going to give greater powers to council leaders and to communities.

We are going to level up the powers offered to mayors so that more people can benefit from the kind of local government structures seen in London and here in Manchester.

We are going to give more communities a greater say over changes to transport, housing, public services and infrastructure that will benefit their areas and drive local growth.⁷

At the Conservative Party conference in September 2019, the Chancellor, Sajid Javid, announced a white paper on English devolution. The 19 December 2019 Queen's Speech provided further details:

- We will publish a White Paper setting out our strategy to unleash the potential of our regions, which will include plans for spending and local growth funding.

³ HM Treasury, [A country that lives within its means](#), 2015, p. 15

⁴ This figure included bids from Cardiff, Edinburgh, Aberdeen, and Inverness; and the deals that had already been agreed at that point with Greater Manchester, Sheffield, West Yorkshire and Cornwall. The geographical areas of some of the bids overlapped with one another e.g. North and East Yorkshire vs West Yorkshire.

⁵ See David Paine, "Power to shape economies tops devolution demands", [Local Government Chronicle](#), 17 September 2015.

⁶ Conservative Party, [Forward Together](#), 2017, p32

⁷ Prime Minister's Office, [PM speech at Manchester Science and Industry Museum](#), 27 July 2019

- It will provide further information on our plans for full devolution across England, levelling up powers between Mayoral Combined Authorities, increasing the number of mayors and doing more devolution deals.
- These increased powers and funding will mean more local democratic responsibility and accountability.
- We remain committed to the Northern Powerhouse, Midlands Engine, and Western Gateway strategies.

The commitment to 'level up' devolution deals (increasing the powers of metro-mayors to match those held by the Mayor of Greater Manchester) first emerged at a fringe meeting at the Conservative Party conference on 1 October 2019.⁸ A letter to this effect was sent to all the metro-mayors in early November 2019.⁹ The offer did not cover the health and social care devolution arrangements in Greater Manchester.

The Conservative Party's manifesto for the 2019 general election then said:

We remain committed to devolving power to people and places across the UK. Our ambition is for full devolution across England, building on the successful devolution of powers to city region mayors, Police and Crime Commissioners and others, so that every part of our country has the power to shape its own destiny. We will publish an English Devolution White Paper setting out our plans next year.¹⁰

The commitment to publish a White Paper has been repeated, since December 2019, in a number of Government responses to Parliamentary questions.¹¹

A report from the *Local Government Chronicle* in February 2020 suggested that future devolution deals could include requirements for local government restructuring in the relevant areas.¹²

1.3 Devolution deals to date

As of March 2020, devolution deals have been agreed with twelve areas. Three subsequently collapsed, of which two were then partially revived (see Table 1). Further devolution to Greater London has also taken place (see section 4.1).

The main powers that Government has agreed to devolve in the devolution deals agreed to date can be found in Appendix 1. A number of core powers have been made available to most areas, whilst most areas have also been provided with one or more unique responsibilities

⁸ Jon Bunn and Martin George, "[Jenrick confirms no health devo in 'levelled up' deals](#)", *Local Government Chronicle*, 2 October 2019

⁹ Jessica Hill, "[Metro-mayors offered devo deal to 'level up' powers](#)", *Local Government Chronicle*, 1 November 2019. This letter was not sent to Dan Jarvis, mayor of Sheffield City Region, as he had not taken up the powers on offer through the Sheffield devolution deal by November 2019.

¹⁰ Conservative Party [2019 manifesto](#), p29

¹¹ For instance, see [PO 27042 2019-21](#), 12 Mar 2020; [PO 15037 2019-21](#), 24 Feb 2020

¹² Jessica Hill, "[Devolution white paper to feature 'lots of local government restructuring'](#)", *Local Government Chronicle*, 21 Jan 2020

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(see sections 2.1 and 2.2). Details of the local authorities participating in each devolution deal area can be found in Appendix 2.

Table 1: Devolution deals

	Devolution deal agreed	Bid document
Greater Manchester	3 Nov 2014 27 Feb 2015 8 Jul 2015 25 Nov 2015 16 Mar 2016	Not published
Sheffield City Region	5 Oct 2015 12 Dec 2014	Not published
West Yorkshire	18 Mar 2015 13 Mar 2020	Not published
Cornwall	27 July 2015	March 2015
North-East	23 Oct 2015 (rejected)	2015 (undated)
North of Tyne	24 November 2017	None published
Tees Valley	23 Oct 2015	Not published
West Midlands	17 Nov 2015 23 Nov 2017	July 2015
Liverpool City Region	17 Nov 2015 16 Mar 2016	2015 (undated)
Cambridgeshire / Peterborough	20 June 2016	Not published
Norfolk / Suffolk	20 June 2016 (rejected) (East Anglia: 16 Mar 2016)	4 Sep 2015 (Suffolk);
West of England	16 Mar 2016	4 Sep 2015
Greater Lincolnshire	16 Mar 2016 (rejected)	4 Sep 2015

The three collapsed deals were as follows:

- The North-East deal collapsed on 7 September 2016. Three of the seven authorities subsequently negotiated a mayoralty for the 'North of Tyne' area (see section 4.6 below);

- Lincolnshire County Council and South Kesteven District Council rejected the Greater Lincolnshire deal in November 2016. The deal was then withdrawn by the DCLG;¹³
- Five district councils pulled out of the Norfolk / Suffolk deal (see Appendix 2). The deal was then withdrawn.¹⁴ This deal had in turn emerged from the East Anglia devolution deal, which was announced in March 2016 but abandoned in favour of separate deals for Norfolk / Suffolk and Cambridgeshire / Peterborough (the latter of which concluded successfully).

1.4 Implementation of deals

Devolution deals have been negotiated in private between Government teams and local authority leaders. Once the deal document has been agreed and published, each council involved must then itself approve its participation in the deal. This has been referred to by the Government as 'ratification'. At this stage a number of councils have voted against further participation (see 'authorities rejecting membership' in Appendix 2).

Devolution of powers has been implemented via Orders passing through Parliament, under the [Cities and Local Government Devolution Act 2016](#). Some elements of the devolution deals do not concern statutory functions, and therefore do not require Orders. The deal documents themselves are not statutory.

Six combined authorities held mayoral elections in May 2017, one in 2018 and one in 2019. Detailed results can be found in the Library briefing paper [Local election results 2017](#), [Local election results 2018](#) and [Local election results 2019](#). After the postponement of the 2020 local elections due to coronavirus, eight 'metro-mayors' will face election in May 2021.

The Government published the first 'devolution report' required under the 2016 Act on 2 December 2016 (covering 2015-16),¹⁵ the second in January 2018 (2016-17),¹⁶ and the third in March 2019 (2017-18).¹⁷ The reports set out deals agreed, Orders passed and funding provided during the financial year in question.

In November 2017, Sajid Javid, then secretary of state for communities and local government, announced that his department was working on a devolution 'framework':

"Work is still in the early stages – and I'd welcome your support in shaping the final product. But I want a framework that, above all else, provides clarity and consistency about what a successful devolution agreement looks like.

¹³ Lincolnshire County Council, "[Council Leader intends to say 'no' to a Mayor for Greater Lincolnshire](#)", 11 November 2016

¹⁴ George Nobbs, "Whatever this is, it is not devolution", *Municipal Journal*, 15 November 2016;

¹⁵ See DCLG, [Secretary of State's annual report on devolution 2015-16](#), 2 December 2016

¹⁶ See DCLG, [Secretary of State's annual report on devolution 2016-17](#), 10 January 2018

¹⁷ MHCLG, [Secretary of State's annual report on devolution 2017-18](#), 10 March 2019

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What standards will need to be met, what outcomes will need to be delivered, what red lines there are for the whole process. Expectations about leadership, scope and levels of local support.

...With a clear position on how devolution negotiations should proceed, authorities at all levels will be much better placed to develop and put forward proposals that suit the unique needs of their residents and businesses".¹⁸

The Public Administration and Constitutional Affairs Committee asserted the need for such a framework in its report in June 2018:

...there must be a clear statement of how the different parts of England are fairly and effectively being represented. Consideration should be given to extending the existing decentralisation of powers and funding to combined authorities and mayors to a greater number of areas. Moreover, the Government should draw up plans for how decentralisation to more rural areas of England might effectively be pursued.¹⁹

The 'devolution framework' appears to have been overtaken by the Government's commitment to publish a White Paper during 2020.

1.5 Further deals

Deals have been reported as under negotiation in a number of further areas:

- In early 2020, rumours emerged of negotiations in [Cumbria](#); [Lancashire](#); [East Midlands](#); and [Norfolk and Suffolk](#). In the former [Humberside area](#), North Lincolnshire and North-East Lincolnshire have indicated they want to revive the 'Greater Lincolnshire' deal, whilst the Government is reported as regarding a Humberside deal as the 'only option';
- A report emerged in October 2018 that a devolution deal for the Solent (Southampton, Portsmouth and Isle of Wight) was 'not on the table'. The bid had previously been with the Government for two years.²⁰ This had followed a previous bid for the whole of [Hampshire and the Isle of Wight](#) in 2015;
- In the mid-2010s, devolution bids, or expressions of interest / prospectuses, were published for [Gloucestershire](#), [Cheshire and Warrington](#), [Cumbria](#), [Leicestershire](#); [North and East Yorkshire](#); [Surrey and Sussex](#); [Greater Essex](#); [Derby, Nottingham and their hinterlands](#); and [Devon / Somerset](#). Further reports of interest have emerged from [Dorset](#) and [Lancashire](#).

¹⁸ Nick Golding, "[Javid: Devo framework to provide 'clarity and consistency'](#)", *Local Government Chronicle*, 21 November 2017. The text in the quote is all a quote of Mr Javid speaking at the County Councils Network annual conference.

¹⁹ PACAC, [Devolution and exiting the EU: reconciling differences and building strong relationships](#), HC-1485 2017-19, June 2018, p30

²⁰ BBC, "[Solent combined authority bid 'scrapped', councils say'](#)", 5 October 2018

2. Devolution deals: key components

2.1 Deals: the 'menu'

The devolution deals agreed to date can be characterised as consisting of a 'menu with specials'. A number of items have been made available to most areas, but each deal also contains a few unique elements or 'specials' (often consisting of commitments to explore future policy options). The following sections outline the nature of the 'menu' powers that have been made available to most of these areas. The exact powers devolved can be seen in the deal documents (see section 1.3 for links).

Adult Education Budget (AEB)

The Adult Education Budget was devolved from the 2019-20 financial year, following joint commissioning from 2016-17.²¹ Grants are provided to MCAs based on the academic year (August 2019 – July 2020), as set out in Table 2. The amounts for '2020-21' will increase in respect of the period from August 2020 to March 2021.

The Adult Education Budget funds adult learners obtaining qualifications in circumstances set out on the ESFA webpage [Adult education budget devolution](#). Some elements of the AEB are statutory entitlements: the devolved authorities will be required to continue to fund these, and will not have any discretion to alter them.

Apprenticeships, and traineeships for 19-24 year olds, are not included, and four providers remain exempt from devolution until 2021-22 at the earliest.²² The Government issued statutory guidance to MCAs in July 2018.²³

Table 2: Adult Education Budget allocations²⁴

MCA	2019-20	2020-21	Total
Cambridgeshire and Peterborough	£7,212,927	£4,300,125	£11,513,052
Greater London Authority	£191,987,714	£114,457,161	£306,444,875
Greater Manchester	£58,013,818	£34,586,051	£92,599,869
Liverpool City Region	£32,189,715	£19,190,516	£51,380,231
Tees Valley	£18,448,244	£10,998,275	£29,446,519
West of England	£9,234,233	£5,505,165	£14,739,398
West Midlands	£78,712,985	£46,926,257	£125,639,242
Total	£395,799,636	£235,963,550	£631,763,186

²¹ See the Commons Library debate pack [Skills devolution in England](#), 19 January 2018, for further details.

²² Education and Skills Funding Agency, [Adult education budget devolution](#), 27 March 2019

²³ Department for Education, [Exercising devolved adult education functions](#), July 2018

²⁴ MHCLG, [Adult Education Budget: section 31 determination letters](#), 27 March 2019

Devolution of the AEB was originally planned for the 2018-19 financial year, but this was postponed due to delays in passing the required regulations through Parliament. The first tranche of grant funding was confirmed in March 2019, applying to the 2019-20 academic year (August 2019 – July 2020). The Government plans to devolve AEB to the MCAs in Sheffield City Region and North of Tyne from the 2020-21 academic year.²⁵

In contrast to the MCAs' ability to treat this grant as part of their 'single pot', the grant letter to the Mayor of London includes a provision ring-fencing the AEB grant to the purposes of the grant or related purposes, and a provision permitting unspent funds to be reclaimed by the Government unless they are earmarked for future years' AEB spending.²⁶

A Memorandum of Understanding between the Government and the six MCAs was published in January 2019. In contrast to the London provisions, this MoU states that "the Department will aim to transfer the relevant budget, as a Section 31 ... grant, via the 'Single Pot' or any subsequent, replacement arrangement, to the CA in April each year".²⁷ The MoU also covers matters such as minimum national standards, data sharing, protocols when education providers suffer financial difficulties, and it notes elements of the regime which will not be devolved to MCAs.²⁸ Additionally, the MCAs will be required to report on their progress with delivering the AEB each January.²⁹

The November 2017 Industrial Strategy White Paper announced the establishment of 'skills advisory panels'.³⁰ Guidance published in December 2018 stated that these would:

... identify local skills priorities, based on analysis of the local area, and agree how these will be met through local education and training provision, both in the immediate future and looking ahead to the next decade.

We also expect Skills Advisory Panels to be able to advise on, and help implement, funding and investment decisions for local skills and employment provision. Each Skills Advisory Panel will need to ensure that it has, through its membership, the capability to do this.³¹

Business support

In most areas, local and central business support services have been brought together into 'growth hubs'. UK Trade and Investment partners with local business support services.

²⁵ Education and Skills Funding Agency, [Adult education budget devolution](#), 27 March 2019

²⁶ Department for Education, [Delegation of adult education: letter to the Mayor of London](#), 6 December 2018; see paragraphs 9 and 10 in particular

²⁷ Department for Education, [Devolution of adult education functions from academic year 2019-20: memorandum of understanding](#), January 2019, p9

²⁸ Ibid., p6

²⁹ The reporting requirement can be found in MHCLG, [National Local Growth Assurance Framework](#), January 2019, p57-58

³⁰ HM Government, [Industrial Strategy White Paper](#), 2017, p114

³¹ Department for Education, [Skills Advisory Panels: guidance on the role and governance](#), December 2018, p4

The Work Programme

Devolved areas were to participate in the commissioning of the Work Programme in their areas. This was superseded in July 2017 by a decision to create a new grant, totalling £28 million, to allow devolved areas to develop a programme for ‘harder-to-help’ benefit claimants, supplementary to the main Work Programme.³² This grant does not cover Greater Manchester or Greater London, which have negotiated separate arrangements.³³ This programme is also not mentioned in the West Yorkshire deal of March 2020.

Investment funds

Each deal includes an investment fund of between £15 million and £38 million annually (see Appendix 1). The Government permits MCAs to bring this funding together into a ‘single pot’ alongside EU structural funds, transport funds, the Adult Education Budget, and the Transforming Cities Fund. Local Growth Fund money is also included in the single pot where the LEP and MCA share boundaries. This amounts to a removal of ring-fencing, subject to the provisions of the Government’s National Local Growth Assurance Framework.³⁴

A number of MCAs are ‘intermediate bodies’ for EU structural funding, which means that they, instead of the Government, take decisions about which public and private bodies to give EU structural funds to. The current round of EU structural funding lasts until April 2020.

The *Municipal Journal* reported in February 2020 that the Government intends to consult on the ‘Shared Prosperity Fund’ – which is to replace structural funds post-Brexit – alongside its proposed White Paper on devolution.³⁵ Sector media reporting has suggested that the UKSPF will be managed by LEPs,³⁶ but this may mean that MCAs will manage the fund in areas where they exist.

In the Industrial Strategy White Paper, published in November 2017, the Government signalled its intent to develop ‘local industrial strategies’:

We will work in partnership with places to develop Local Industrial Strategies, which will be developed locally and agreed with the government. These strategies will help identify priorities to improve skills, increase innovation and enhance infrastructure and business growth. This will guide the use of local funding streams and any spending from national schemes.

Local Industrial Strategies will be long-term, based on clear evidence, and aligned to the national Industrial Strategy.³⁷

³² David Paine, [“DWP hands devo areas £28m for work programme ‘alternative’”](#), *Local Government Chronicle*, 1 August 2017. Details can also be found in the devolution report for 2017-18

³³ See GMCA, [Greater Manchester Working Well](#), March 2018; London Councils, [The work and health programme in London](#), September 2017

³⁴ DCLG, [National Local Growth Assurance Framework](#), January 2019

³⁵ Dan Peters, [“Shared prosperity fund to be linked to devolution”](#), *Municipal Journal*, 25 Feb 2020

³⁶ Jon Bunn, [“Fears post-Brexit prosperity fund could go to LEPs”](#), *Local Government Chronicle*, 7 Mar 2019

³⁷ HM Government, [Industrial Strategy White Paper](#), 2017, p219

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The first Local Industrial Strategies were to be produced by March 2019 and signed off by the Government in 2020. A [best practice guide](#) was produced in October 2018. In combined authority areas, they will be led by the combined authority: elsewhere, they will be led by Local Enterprise Partnerships. £20 million of administrative support funding is available to LEPs in 2018-20.³⁸ There have been few mentions of LISs under the Johnson administrations so far.

A new Transforming Cities investment fund of £1.7 billion was announced in the November 2017 Budget (see Table 3 below). Half of this fund is to be split between the six mayoral combined authorities on a per capita basis. The other half will be available to other areas on a competitive bid basis. The funding was extended to the 2022-23 financial year in the November 2018 Budget. For 2022-23, £220 million was made available to the six areas, with £440 million available for other city regions.

West Yorkshire received a £317 million allocation from this fund in its March 2020 devolution deal. It is not clear whether that allocation is in addition to the sums previously announced.

The funding will “support intra-city transport” and “will target projects which drive productivity by improving connectivity, reducing congestion and utilising new mobility services and technology”.³⁹

Table 3: Transforming Cities Fund allocations

MCA	Funding	Extended funding, 2022-23
West Midlands	£250 million	£71.5 million
Greater Manchester	£243 million	£69.5 million
Liverpool City Region	£134 million	£38.5 million
Tees Valley	£59 million	£16.5 million
West of England	£80 million	£23 million
Cambridgeshire / Peterborough	£74 million	£21 million

Fiscal powers

Some MCAs have been piloting 100% retention of business rates between 2017-18 and 2019-20 (Greater Manchester, Cornwall, Liverpool, West of England and West Midlands). Some have also taken on the power to add a supplement of up to 2% on business rates, subject to approval in a referendum by a majority of ratepayers.⁴⁰

All MCAs, apart from the West of England, have the power to impose a precept on council tax bills. Greater Manchester did so from 2018-19, and Liverpool City Region followed suit in 2019-20. As yet, MCAs have

³⁸ HM Treasury, [Strengthened Local Enterprise Partnerships](#), July 2018, p5. See also the Library briefing [Local Enterprise Partnerships](#).

³⁹ HM Treasury, *Budget 2017*, p51

⁴⁰ Regulations were passed during 2018 bringing some combined authorities within the ambit of the *Business Rate Supplements Act 2009* – see Appendix 1. A supplement requires approval in a referendum by a majority of ratepayers both by number and by rateable value.

not been subject to any threshold under the council tax referendums regime (see the Library briefing paper [Council tax: local referendums](#)).

A £12 million 'capacity fund' for mayoral combined authorities for 2018-19 and 2019-20 was announced in the November 2017 budget.

Integrated transport systems

Many deals include the power to introduce bus franchising, which would allow local areas to determine their bus route networks and to let franchises to private bus companies for operating services on those networks (see the Library briefing paper on the [Bus Services Act 2017](#) for further details). To date, Greater Manchester and Liverpool City Region have begun assessing the potential of franchising.

Each deal also includes a unified multi-year transport investment budget, and most commit to improving joint working between the combined authority and Network Rail, Highways England, and (where relevant) plans for the HS2 line. Some deals include a 'key network of local roads' to be controlled by the combined authority. This will consist of roads currently managed by the participating local authorities.

Planning and land use

Many deals include the power to create a spatial plan for the area, and/or the power to establish Mayoral Development Corporations. Some areas are seeking to establish statutory spatial plans, and some are pursuing non-statutory spatial plans. Some MCAs may use Compulsory Purchase Orders, with the consent of the local authority in which the land or property is located. Non-statutory joint bodies ('Land Commissions' or 'Joint Asset Boards') have been established. These operate within the [One Public Estate](#) programme. Their purpose is to improve the management of surplus land and buildings across public sector bodies, making joint decisions on whether to re-use, share, or sell unused land and buildings within the public estate.

Police and fire

In Greater Manchester, the elected mayor is also the Police and Crime Commissioner and the Fire and Rescue Commissioner, *ex officio*. The West Midlands has also explored this option, but for now has not taken it forward. The West Yorkshire deal provides that the elected mayor there will work towards taking on PCC powers by the time of its second election in 2024.

2.2 The 'specials'

Devolved powers in the following areas have been offered to a more limited selection of combined authorities:

Housing

In early 2018, 'housing deals' were agreed with Greater Manchester (see section 3.1), West Midlands (see section 4.5), and the West of England. West of England's deal includes £3m capacity funding, a

possible deal on affordable housing, and the intention to “accelerate housing delivery to 7,500 homes per year”.⁴¹

A housing deal has also been agreed with Oxfordshire County Council and its districts. This does not have any implications for governance in Oxfordshire: it forms part of the Government’s plans for growth in the Oxford – Cambridge – Milton Keynes corridor.

These deals sit alongside the bid-based [Housing Infrastructure Fund](#) of £4 billion available between 2018 and 2021, to which combined authorities and other localities have bid during 2017 and 2018.

Health

The chief executive of the NHS, Simon Stevens, said in December 2015 that ‘not many’ other areas (alongside Greater Manchester) were likely to take on health responsibilities in the near future.⁴² A document entitled [NHS Devolution: Proposed Principles and Decision Criteria](#), published in September 2015, sets out the NHS’s preferred approach to proposals for health and social care integration.

Cornwall’s devolution deal (see section 4.4 below) included provision for the integration of health and social care. This has been pursued as part of the national requirement for CCGs and local authorities to produce a ‘sustainability and transformation plan’.

The GLA published a document in November 2017 setting out its intentions under health devolution in London.⁴³ These will include:

- establishing a London Estates Board, to involve local government and other bodies in strategic NHS estates decisions. This will also mean that proceeds from land sales can be reinvested in the healthcare system;
- ensuring funds from the ‘sugar levy’ are used to tackle obesity in London;
- Greater local design of health-related employment support services;
- A London Workforce Board, to co-ordinate training between health and social care staff, promoting more integrated roles to support an integrated model of care.

This follows a series of pilots in 2015-16 exploring health and social care collaboration between groups of London boroughs, the GLA, and London CCGs.⁴⁴

An additional pilot took place in ‘Surrey Heartlands’, covering the area of five district council areas in west Surrey. The area is one of the 44 Sustainability and Transformation Partnership areas. Devolution of a limited range of powers to a joint body took effect from 1 April 2018.⁴⁵

⁴¹ MHCLG, [Outline of interim housing package for the West of England](#), 21 March 2018

⁴² David Williams, “Exclusive: Stevens casts doubt over NHS devolution outside Manchester”, *Health Service Journal*, 14 Dec 2015

⁴³ GLA, [Health and Care Devolution: What it Means for London](#), November 2017

⁴⁴ HM Treasury, [London health devolution agreement](#), 15 December 2015. See also Heather Jameson, “‘Giant leap’ for capital care after health deal is unveiled”, *Municipal Journal*, 17 Dec 2015

⁴⁵ See the Surrey Heartlands [Devolution Trilateral Agreement](#), published in 2017

2.3 Assurance

MCAs are subject to considerable assurance requirements. In essence, these are forms of financial governance intended to ensure that they deliver agreed outputs effectively.

The majority of the devolution deal documents include specific requirements for locally-led evaluations of all policies. The following text, from the Liverpool City Region deal, is a representative example:

Liverpool City Region Combined Authority will work with the government to develop a full implementation plan, covering each policy agreed in this deal, to be completed ahead of implementation. This plan will include the timing and proposed approach for monitoring and evaluation of each policy and should be approved by the DCLG Accounting Officer.⁴⁶

The DCLG published an accountability system statement in 2016, which reiterated this point:

...the Government has committed to work with local areas to develop jointly written statements on every devolved power or fund in the deals. These will describe the accountability arrangements between local and national bodies....

New combined authorities must put in place a Local Assurance Statement that is agreed with the department. This must be done before new devolved funds are made available. In addition, for the new investment funds, which provide 30 year funding from government through the Department for Communities and Local Government, combined authorities will be subject to scrutiny from an external, expert panel that will provide evidence on the procedures to determine spending and the impact of spending locally.⁴⁷

The reference to an 'external expert panel' is a reference to the five-yearly 'gateway reviews' that will monitor MCAs' use of their investment funds. These gateway reviews are to be commissioned jointly by the Treasury and the relevant combined authority, and are to take place every five years. Future instalments of the investment fund will be made available only if the Treasury "is satisfied that the independent assessment shows the investment to have met the objectives and contributed to national growth".⁴⁸

This accountability system statement was superseded in 2019 by a more comprehensive National Local Growth Assurance Framework. This also included new assurance guidance for MCAs operating a 'single pot' (see the heading 'Investment funds' under section 2.1 above):

The full commencement of the Single Pot is contingent on the ratification of the devolution deal in all relevant constituent authorities, the establishment of the agreed governance structures, and agreement with Whitehall to both a baseline implementation plan and a Local Assurance Framework. MCAs must then submit their Local Assurance Framework to the Department.

⁴⁶ DCLG, [Liverpool City Region devolution agreement](#), 2015, p17

⁴⁷ DCLG, [Accounting Officer Accountability System Statement for Local Government](#), 2016, p16

⁴⁸ HM Treasury, [Greater Manchester Agreement](#), 2014, p5

17 Devolution to local government in England

Local Assurance Frameworks for a Single Pot arrangement will need to be formally signed off by the Department before a place's first allocation of investment funding is paid. The Local Assurance Frameworks must demonstrate robust assurance, project appraisal and value for money processes before they are signed off by the Department.⁴⁹

The Assurance Framework also specifies that MCAs should have produced 'devolution agreement documents' and 'baseline implementation plans'. Annexes to the Assurance Framework also give details of specific requirements relating to transport, housing, and adult education funding assurance. The requirements for 'gateway reviews' of investment funds remain in place.

⁴⁹ MHCLG, [National Local Growth Assurance Framework](#), 2019, p14-15

3. The Greater Manchester devolution deals

This section outlines the devolution deals agreed with the Greater Manchester Combined Authority.

3.1 The Greater Manchester Agreement

Five different deals have provided the following powers for the Greater Manchester Combined Authority:⁵⁰

- A consolidated, multi-year transport budget;
- Responsibility for bus services, railway stations, and ‘smart ticketing’ (an example of this is London’s Oyster Card) in Greater Manchester;
- A Housing Investment Fund of £300m over 10 years, making loans to housebuilders (and thus being self-sustaining over time);
- Powers to produce a statutory spatial strategy; to introduce Mayoral Development Corporations; make Compulsory Purchase Orders; set a Community Infrastructure Levy (CIL); and establish a non-statutory Land Commission;
- An enhanced ‘earn-back’ agreement;
- The elected mayor has become the Police and Crime Commissioner for Greater Manchester;
- Devolved business support budgets: the Growth Accelerator, Manufacturing Advice Service and UKTI Export Advice;
- Power to restructure further education in Greater Manchester, plus control of the Apprenticeship Grant for Employers before its closure in mid-2017;
- Transfer of the Greater Manchester Fire Service and the Greater Manchester Waste Disposal Authority to the GMCA;
- Control over EU structural funds;
- A Life Chances Investment Fund, incorporating funding from Troubled Families, Working Well, and joint work on children’s services;
- Piloting the full retention of business rate revenue;
- £28 million to develop the new Work and Health Programme. This programme began in late 2017;⁵¹
- An agreement on [devolution of powers associated with the justice system](#), published in July 2016;

A ‘housing package’ was agreed in March 2018, which included a £50 million ‘land fund’ for remedial work to brownfield sites; capacity funding of ‘up to £8 million’; £10.25 million for the Collyhurst Estate; and greater flexibility around the moving of funds between years for the £300 million loan fund. Greater Manchester has agreed to “accelerate delivery rates to 12,375 homes per annum to 2026”.⁵²

This agreement was contingent on adoption of the statutory spatial framework. Media reports in March 2019 indicated that the

⁵⁰ HM Treasury, [Greater Manchester Agreement](#), November 2014, p. 1

⁵¹ DCLG, [Work, health and disability green paper: improving lives](#), 2 November 2016

⁵² MHCLG, [Outline of a housing package for Greater Manchester](#), 21 March 2018

Government had withdrawn the funding on offer in the housing deal with Greater Manchester. This was in response to changes in the spatial framework, that would reduce the number of completed homes by 11% over a 20-year period.⁵³

Analysis of the progress of devolution in Greater Manchester can be found in Kieran Walshe et al., [Devolving health and social care: lessons from Greater Manchester](#), and Ruth Lupton et al., [City-region devolution in England](#). The GMCA itself produced a paper in November 2018 entitled [The Emerging Impact of Devolution](#).

Tony Lloyd (now MP for Rochdale) acted as 'interim mayor' between 29 May 2015 and the election of Andy Burnham on 4 May 2017.⁵⁴

In a letter to the Public Administration and Constitutional Affairs Committee on 26 July 2018, Andy Burnham stated that the cost of the Greater Manchester mayoralty was £1.997m, made up of £732,000 for 'direct support' for the Mayor and £1.265m in funding for Mayoral priorities.⁵⁵

3.2 Health devolution in Greater Manchester

The Government published the [Greater Manchester Health and Social Care Devolution Memorandum of Understanding](#) on 27 February 2015.

This paper envisaged a new Greater Manchester Health and Social Care Partnership Board (GMHSPB), which would produce a joint health and social care strategy for Greater Manchester.

The GMHSPB ran in shadow form in 2015-16, before going live in April 2016. It has two sub-groups: a Greater Manchester Joint Commissioning Board (JCB) and an Overarching Provider Forum. Members of the former are the 12 Clinical Commissioning Groups (CCGs) in Greater Manchester; the 10 Greater Manchester boroughs; and NHS England. Members of the latter are service providers: acute care trusts, mental health trusts, ambulance trusts, LMCs (local medical committees), and others.

Through the JCB, strategic decisions regarding commissioning of health and social care services in Greater Manchester are agreed by NHS England, CCGs, and local political actors. [A strategy was published in December 2015](#). The JCB commissions health and social care services across Greater Manchester on behalf of its constituent organisations, pooling the pooled commissioning budgets of the CCGs and the social care budgets of the boroughs.⁵⁶

⁵³ Jessica Middleton-Pugh, ["Government withdraws £68m housing deal"](#), *Place North-West*, 26 March 2019

⁵⁴ See the [Greater Manchester Combined Authority \(Amendment\) Order 2015](#) (SI 2015/960). The interim mayor must be a councillor, MP, MEP or Police and Crime Commissioner in the Greater Manchester area.

⁵⁵ PACAC, [Letter to the Chair from Andy Burnham regarding the cost of the Greater Manchester mayoralty](#), 26 July 2018

⁵⁶ See the Greater Manchester Commissioning Strategy, [Commissioning for Reform](#), 2016

At local (borough) level, Health and Wellbeing Boards, made up of representatives from CCGs and boroughs, ensure that health and social care services are provided in a joined-up fashion, in line with the GMHSPB's Strategic Sustainability Plan.

The proposals do not constitute a wholesale transfer of functions or funds from the NHS to local authorities, or vice versa. Chris Ham, chief executive of the Kings Fund, stated:

Devolution to Greater Manchester should enable decisions to be taken much closer to the population being served, with councillors having a bigger influence on future decisions. ...The unanswered question is how much freedom public sector leaders will have to depart from national policies in taking greater control of NHS resources.⁵⁷

These proposals are being implemented via section 75 of the *National Health Service Act 2006*, which permits agreements to share functions and budgets between NHS bodies and local authorities. The elected mayor, Andy Burnham, has no formal power over the integration of health and social care. The GMHSPB has appointed its own chief executive, Jon Rouse, as of 31 March 2016.

Criteria for national intervention in the Greater Manchester devolved arrangements were published in March 2016.⁵⁸ A [dedicated website](#) covering new arrangements for health and social care has also been established. Greater Manchester has been awarded £450 million health service transformation funding over five years (2016-21).⁵⁹

A report from Manchester Business School, published in 2018, found that the health system in Greater Manchester had yet to diverge substantially from the national system, with national priorities still playing a major role in local decision-making.⁶⁰ It said:

The GM Partnership has invested heavily in building relationships among those health and care organisations which make up its membership, and developing shared governance arrangements and decision making processes which are intended to promote and sustain a collective narrative of managed consensus. However, it is difficult to tell how secure those arrangements are, and they have not yet really been severely stress tested...⁶¹

The Mayor of Greater Manchester does not have any formal role in the health and social care devolution arrangements. However, by virtue of his office it would be expected that he would have considerable influence on its decision-making, and that the GMCA will work closely with the health authority structures

⁵⁷ Chris Ham, "What Devo Manc could mean for health, social care and wellbeing in Greater Manchester", *Kings Fund*, 2 March 2015

⁵⁸ See Greater Manchester Combined Authority, *Accountability Agreement* (paper 5b), 18 March 2016

⁵⁹ David Paine, "Greater Manchester receives £450m to spur health transformation", *Local Government Chronicle*, 21 Dec 2015

⁶⁰ Kieran Walshe et al., *Devolving health and social care: lessons from Greater Manchester*, Manchester Business School, 2018

⁶¹ *Ibid.*, p51

4. Deals in other localities

4.1 London

Greater London is not covered by the *Cities and Local Government Devolution Act 2016*. Alongside the 'devolution deals' agenda, negotiations have progressed for devolution to London of many of the powers noted in section 2 above (where these were not already devolved to the GLA), treating the GLA in practice in an equivalent way to the mayoral combined authorities.

The Government published a [memorandum of understanding on further devolution to London](#) in March 2017, alongside the Budget. This included commitments to devolve the Work and Health programme, the Adult Skills Budget, and to progress towards devolution of matters associated with health and criminal justice. Sign-off of the deal was delayed to November 2017.⁶²

A memorandum of understanding entitled [Working towards Justice Devolution to London](#) was published in March 2018. This proposed joint responsibility for various probation functions and victim services to pass to a London Justice Devolution Board.

Further proposals in London

In addition to these changes, the London boroughs and the GLA have put forward a number of plans for further devolution to London.⁶³ In November 2015, a joint document produced by the Mayor, London Councils, and the London LEP, entitled [Skills Devolution to London](#), was submitted to the Government. This contained a series of high-level outcomes sought for the skills system in London by 2020, and set out a prospectus for devolving power in order to achieve them:

- Devolution of the Adult Skills Budget, Adult Community Learning, and discretionary support for 19+ learners;
- Devolution of London's share of advanced learning loans;
- A guaranteed 'proportionate return' to London from the apprenticeships levy introduced at the 2015 Spending Review;
- Transfer of the Secretary of State's appointment powers over college boards;
- Protection of London's share of 16-19 skills funding;
- Creation of a Skills Commissioner for London.

A further document entitled the '[Call for Action](#)' was published in late 2019 by the GLA and London Councils, expanding and reiterating these demands.

In July 2016, Sadiq Khan reconvened the London Finance Commission in the wake of the June 2016 vote to leave the European Union.⁶⁴ Its final report, [Devolution: a capital idea](#), was published in January 2017.

⁶² See Jon Bunn, "[London health devolution deal agreed](#)", *Local Government Chronicle*, 16 November 2017; GLA, [Health and Care Devolution: What It Means for London](#), November 2017

⁶³ These proposals have not been formally published. See also the London Assembly report [A New Agreement for London](#), September 2015

⁶⁴ See GLA, [London Finance Commission](#), n. d.

The report recommended the devolution of several taxes to London government, such as stamp duty, Air Passenger Duty, Vehicle Excise Duty, together with a share of income tax and VAT revenue. A tourism tax was also proposed.

The report stated that any tax devolution would be 'revenue neutral' at the point at which tax powers were passed to Greater London. It also suggested that other cities with devolution deals were looking with interest at the proposals.

4.2 Cornwall

A devolution deal with Cornwall was agreed in July 2015.⁶⁵ The deal was agreed with Cornwall Council and the Cornwall and Isles of Scilly NHS Trust. The deal does not require a combined authority or elected mayor to be established.

This is the only deal so far to be agreed with a single unitary authority: the powers have been devolved to Cornwall County Council. The deal follows Cornwall Council's publication of a document entitled [*The Case for Cornwall*](#) in March 2015.

Cornwall has also progressed the joint delivery of health and social care services between Cornwall Council and NHS Kernow CCG.

4.3 Yorkshire

Limited devolution deals were agreed with the West Yorkshire and the Sheffield City Region combined authorities in March 2015 and December 2014 respectively.⁶⁶ A further deal, including provision for a directly-elected mayor, was agreed with the Sheffield City Region in October 2015. A further deal was then agreed with West Yorkshire in March 2020.

The delay between those two deals was due to extended debate about the appropriate geographies of devolution in Yorkshire. This began when the Sheffield City Region launched a consultation in mid-2016 on two district councils from outside Yorkshire becoming full members. This would have meant electors in those councils taking part in the mayoral election. The two were Bassetlaw (in northern Nottinghamshire) and Chesterfield (in Derbyshire). Chesterfield Borough Council is not geographically linked to the Sheffield City Region, though both councils, along with three others, were 'associate members'.

Derbyshire County Council launched a judicial review of Chesterfield's participation in the Sheffield deal. The case was heard on 11-12 November 2016. The judge found that the consultation was defective and ordered that it be rerun.⁶⁷ This led to the Sheffield City Region mayoral election being delayed by a year, to 2018. Subsequently,

⁶⁵ HM Treasury, [*Cornwall Devolution Deal*](#), July 2015

⁶⁶ See Deputy Prime Minister's Office, [*'Oyster-style' cards for Sheffield as Deputy PM agrees devolution deal*](#), 12 December 2014; [HCDeb 18 Dec 2014](#) WMS 141

⁶⁷ See the full judgment at [R \(Derbyshire County Council\) v Barnsley, Doncaster, Rotherham and Sheffield Combined Authority](#), EWHC 3355 2016

Chesterfield and Bassetlaw withdrew their applications for full membership.

In consequence, the idea of a pan-Yorkshire devolution deal acquired fresh impetus.⁶⁸ On 18 September 2017, a meeting of the Sheffield City Region took place at which consent was sought for a new consultation. This is a statutory requirement in advance of the devolution of the powers agreed in the October 2015 deal. Barnsley and Doncaster did not give their consent, stating that they would seek to take part in a pan-Yorkshire deal.⁶⁹ On 22 December 2017, the two authorities published the results of local referendums held on the two options:

Table 4: Barnsley and Doncaster community poll results

	Barnsley	Doncaster
Yorkshire-wide deal	84.9%	85.2%
Sheffield City Region deal	15.1%	14.8%
Turnout	22.4%	20.1%

The Minister for the Northern Powerhouse, Jake Berry, [indicated in July 2017](#) that the Government would not agree to a pan-Yorkshire deal. He said in a letter to the Sheffield City Region Combined Authority that “consent by the 20 councils for such an approach is very unlikely. Nor do I believe that a deal and governance across the whole of Yorkshire, given its scale and diversity, would in practice deliver the benefits that the proponents of such a deal seek”.⁷⁰ This position was reiterated in [an adjournment debate in the House of Commons](#) on 10 October 2017.

However, subsequent negotiations suggested that the Government would be willing to see a One Yorkshire deal replacing the Sheffield deal, provided that all participating authorities agreed, the Sheffield deal was implemented, and the Sheffield City Region mayor would serve out his or her initial term of office.⁷¹ This position was made clear in [a Westminster Hall debate on 9 January 2018](#), and reiterated in short debates in the [House of Lords on 17 October 2018](#) and [5 November 2018](#), plus an oral question in the Commons on [6 November 2018](#).

Dan Jarvis MP was elected as mayor of the Sheffield City Region on 3 May 2018. When he announced his candidacy, Mr Jarvis said that he intended to remain an MP and to work towards establishing a One Yorkshire devolution deal.⁷²

Eighteen local authorities submitted a proposed deal under the title of ‘One Yorkshire’ to the Government in January 2018.⁷³ This sought

⁶⁸ LGC Briefing, [Devolution by judicial review](#), 11 November 2016; James Reed, [“Fresh attempt to revive Yorkshire-wide devolution”](#), *Yorkshire Post*, 16 November 2016

⁶⁹ See [the minutes of the meeting](#) on the Sheffield City Region website.

⁷⁰ Quoted in David Paine, “Yorkshire devo dissenters seek deal for ‘coalition of the willing’”, *Local Government Chronicle*, 22 June 2017

⁷¹ See the House of Commons Library debate pack [Yorkshire devolution](#), 8 January 2018

⁷² Mr Jarvis has committed not to taking a salary as mayor. Until the devolution deal is implemented, the combined authority has no power to pay the mayor a salary.

⁷³ See [Yorkshire Devolution Agreement Submission](#), January 2018

devolution of the following powers, many of which are recognisable from the 'menu' noted in section 2.1:

- Adult skills funding;
- Integrated business support, including DIT export support;
- A multi-year consolidated transport budget;
- Bus franchising in all or part of the region;
- Business rate supplements;
- Mayoral development corporations, compulsory purchase powers and a Yorkshire Land Commission;
- A £125 million per year investment fund;
- A £500 million Housing Investment Fund;
- Acting as a pilot of 100% business rate retention;
- National programmes addressing unemployment, health barriers to work and in-work poverty;
- Borrowing powers;
- Powers to acquire and dispose of land, and a 'strategic infrastructure investment framework'.

A single Mayor and combined authority covering Yorkshire would be established. This would require the existing combined authorities to be wound up or merged in to the new one.

The Government rejected the 'One Yorkshire' proposal in January 2019 via a letter to Dan Jarvis. Subsequently, the Sheffield City Region agreed to proceed with the devolution deal that had been previously agreed in 2015. The Government agreed in turn that "subject to certain provisos, councils would be free to leave the city region and join an alternative wider Yorkshire deal" in 2022, when Mr Jarvis next faces re-election.⁷⁴

In turn, negotiations proceeded between the Government and the West Yorkshire Combined Authority, leading to [a deal that was concluded in March 2020](#). The deal is comparable to those offered to other areas, and also features a small number of 'specials'. A mayor is to be elected for that area in May 2021.

4.4 Liverpool: March 2016

A second devolution deal for the Liverpool City Region was announced alongside the March 2016 budget. The city region is to take on the following additional responsibilities:

- Beginning to plan for integration of health and social care;
- A review of the delivery of children's services;
- The Apprenticeship Grant for Employers, accompanied by discussions on the use of funding from the apprenticeship levy;
- Additional, unspecified transport and highway powers to accompany the city region's Key Local Roads Network;
- Work on developing a Clean Air Zone: a [Clean Air Task Force](#) was established in November 2018.

⁷⁴ Jessica Hill, "[Updated: South Yorkshire leaders break the devolution deadlock](#)", *Local Government Chronicle*, 25 March 2019. See also https://twitter.com/christophe_read/status/1126032544519151616 (a tweet from the leader of Rotherham Borough Council).

4.5 West Midlands: November 2017

A second deal for the West Midlands was published at the November 2017 Budget. This included the following commitments:

- Government agreement to the Mayor absorbing the Police and Crime Commissioner and the West Midlands Fire Service;
- A power to levy business rate supplements;
- A capacity fund of £1 million for the combined authority;
- Funding for the extension of the Midland Metro to Brierley Hill, plus seeking opportunities for funding cycling infrastructure;
- Government support for a local air quality strategy;
- A local industrial strategy;
- £6 million for a Mayoral Housing Delivery Team, boosting the capacity of the combined authority;
- A skills advisory panel, plus £5 million for a construction training programme;
- An Employment Support Framework Agreement, to integrate, health, skills and employment provision. This will sit on top of the combined authority's employment support programme and apprenticeship-related programmes run by JobCentre Plus and the Department for Work and Pensions;
- Funding support for a local energy strategy;
- Government funding for a Housing First pilot, mental health innovation, and a Social Care Academy.

The West Midlands was also offered a housing deal on 13 March 2018. This included a land fund of up to £100 million for remedial work on "land around priority sites across the area"; working towards a deal with housing associations on affordable housing; and a partnership with Homes England involving a number of strands of joint work. This deal is subject to "business case approval from Government", which is expected to be agreed in May 2018.⁷⁵

A [consultation on the WMCA absorbing the West Midlands PCC](#) took place in early 2019. A consultation has also taken place on the WMCA absorbing the West Midlands Fire Service.

4.6 North of Tyne

A devolution deal for 'North of Tyne' was announced in the 2017 Budget.⁷⁶ The participants are Newcastle City Council, Northumberland County Council and North Tyneside Council. This deal has been agreed after the failure of the original North-East devolution deal in late 2016. The 'rump' North-East Combined Authority (Durham, Gateshead, Sunderland and South Tyneside) remains in existence.

The three councils formed the North of Tyne Combined Authority (NTCA) in shadow form from summer 2018. Norma Redfearn, the directly-elected mayor of North Tyneside Council, was appointed interim mayor in December 2018. The Labour candidate, Jamie Driscoll, won

⁷⁵ MHCLG, [Outline of a housing package for the West Midlands](#), 13 March 2018

⁷⁶ See NTCA, [North of Tyne 'minded-to' devolution deal](#), November 2017

the mayoral election on 2 May 2019, and will serve an initial five-year term.

The North of Tyne Combined Authority holds the powers set out below. These are recognisable from the 'menu' in section 2.1:

- An investment fund of £20 million per year;
- Adult skills funding (but apprenticeships funding is not covered);
- Powers to acquire land to build "houses, commercial space and infrastructure": establishing a housing and land board;
- powers to create Mayoral Development Corporations, compulsory purchase powers, and borrowing powers;
- Power to set a precept on council tax;
- A framework agreement for locally funded employment support schemes;
- Collaboration on export advice for industry, including the GREAT Britain campaign and the Department for International Trade;

The three councils will appoint two members each to the NTCA alongside the elected mayor. The North-East LEP (which covers *both* CA areas – i.e., the original NECA geography) will also have non-voting membership; and the mayor will become a member of the LEP board. The mayor will not have the power to veto a NTCA decision, instead having a power of "mayoral review". This will allow the mayor to refer decisions with which s/he disagrees back to the NTCA 'cabinet' (of local authority members).⁷⁷

The North of Tyne deal includes only part of the area of the Tyne & Wear Passenger Transport Executive, currently managed as Nexus. This manages the Tyne & Wear Metro and local bus services. Because of this, the North of Tyne mayor will have no responsibilities for transport, nor will s/he be able to take on bus franchising powers. A statutory joint committee has been established between North of Tyne and the remaining North-East Combined Authority, with three members from the former and four from the latter. This committee will be responsible for the Passenger Transport Executive and the local transport plan.

4.7 Pan-Northern activity

A number of initiatives have been launched at the level of 'the North' as a unit. Though there is no standard definition of 'the North', the area covered is normally Yorkshire, Lancashire, Cheshire, Cumbria, Durham and Northumberland, and the associated cities. The initiatives include:

- The statutory body [Transport for the North](#). The Financial Times reported in November 2018 that:
 A delegation including Labour and Conservative council leaders and mayors ...want the government to grant full devolution of transport to a Transport for London-style body in the north, a guarantee that Northern Powerhouse Rail, a new east-west rail line from Liverpool to Newcastle and Hull, would be built, and the

⁷⁷ See Schedule 1, paragraph 4 of the [Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority \(Establishment and Functions\) Order 2018](#)

creation of a northern task force to handle the fallout from Brexit.⁷⁸

- The [Northern Powerhouse Partnership](#), a private group aiming to increase investment, with support from the Government;
- a 'Council of the North' or 'NP11', launched by the Government in June 2018. This is an advisory body made up of the chairs of the 11 Local Enterprise Partnerships in the area;⁷⁹
- the Convention of the North, a conference held in Newcastle in early September 2018 for politicians and stakeholders. The Convention planned to:
 - Create a powerful, coherent voice for the North...
 - Building a shared, inclusive and positive platform for cross-party political leadership and direction
 - Focus on common issues such as transport and the need for further devolution post-Brexit...
 - Provide a recognised and respected engagement channel for residents and stakeholders to shape and articulate the North's priorities.⁸⁰
- The IPPR's Commission on Economic Justice published its final report in September 2018. This proposed four 'regional economic executives', covering the North, Midlands, South-East and South-West. These would be governed by an indirectly-elected council of local authority members, and would be responsible for industrial strategy, infrastructure planning, inward investment and immigration.⁸¹ These would sit above a comprehensive pattern of combined authorities with revenue-raising powers and substantial responsibilities.

⁷⁸ Chris Tighe and Andy Bounds, "[Northern politicians demand more powers to boost economy](#)", *Financial Times*, 18 November 2018

⁷⁹ William Eichler, "[Whitehall launches new Council for the North](#)", *LocalGov*, 9 July 2018

⁸⁰ Convention of the North report, 6 September 2018

⁸¹ IPPR, [Prosperity and justice: a plan for the new economy](#), September 2018, p232-253

5. Analysis and perspectives

5.1 Governance

MCA elected mayors have differing degrees of power over different matters. In most areas, they will have an effective veto over decisions made by the combined authority. Mayoral spending plans are, in most cases, to be subject to rejection by cabinet members on a two-thirds majority. Where powers to create a spatial strategy are available, this requires unanimous approval from the mayor and combined authority members.

This contrasts with the situation in London (see the Library briefing paper [The Greater London Authority](#)). The Mayor of London can take decisions without reference to the London boroughs. The London Assembly only has the power to veto a small number of high-level Mayoral decisions.

Government policy to date has been to require a directly-elected mayor as part of any devolution deal, notwithstanding the 2017 Conservative manifesto commitment not to support them in rural areas. In 2016 Baroness Williams, speaking for the Government in the House of Lords, has said:

First, nobody has been required to have a mayor. Secondly, it would be irresponsible of any Government to put in place devolution of the scale and ambition as in Tees Valley and Greater Manchester without the clear, single point of accountability that an elected mayor can bring.⁸²

At the outset of the policy, reference was made to 'alternative governance arrangements' (see the Library briefing *Combined authorities*). The 2015 IPPR report *Empowering Counties* suggested that elected mayors were inappropriate for areas which did not have a single urban centre, and urged the Government to clarify what alternative governance arrangements would find favour in devolution deal negotiations.⁸³ The Government has not provided further detail on this point.

Professor Francesca Gains, of the University of Manchester, has stated:

Research at the University of Manchester examining the first city mayors suggests that there are reasons why an elected mayor is the right model for the new settlement. The visibility of a mayor means the public knows who to hold to account for the spending decisions now to be made in and across the region. Being directly elected will keep the mayor responsive to all communities.⁸⁴

The Local Government Chronicle obtained data for a report in April 2019 detailing the growth of combined authority staff numbers. They

⁸² [HLDeb 23 Mar 2016](#) c2414

⁸³ Ed Cox and Jack Hunter, *Empowering Counties: Unlocking County Devolution Deals*, 2015, p.4

⁸⁴ Francesca Gains, "The making of the Greater Manchester mayor – what next?", [On Devo](#), policy@manchester, 2015, p. 6

found that the seven MCAs employed 2,877 people in December 2018, as shown in Table 5 below:

Table 5: mayoral combined authority staffing⁸⁵

Mayoral combined authority	Workforce	% change since May 2017	Staffing budget	% Change in budget
Greater Manchester	2,013	7%	£97m	19%
West Midlands	466	28%	£24.7m	30%
Liverpool City Region	107		£7m	445%
Tees Valley	94	57%	£4.8m	54%
Sheffield City Region	75	70%	£2.1m	-9%
West of England	71	103%	£3m	-2%
Cambridgeshire & Peterborough	51	200%	£5.6m	560%
TOTAL	2,877	20%	£144.2m	30%

5.2 Reports and commentary

A report from the LSE examining progress in Greater Manchester as of late 2018 claims that much social policy change is being driven by a series of ‘partnership boards’, which seek to harmonise policy between actors within the city, not just in those areas that are devolved:

...these are not official reporting structures on the whole but partnership groups set up to work collaboratively to achieve a set of city-region goals through better coordination, standardisation and service reform.⁸⁶

The report also suggested that Andy Burnham had prioritised social issues and widening participation since his election as Mayor of Greater Manchester, although the formal devolution settlement focuses on economy-related responsibilities.

The Engineering Employers’ Federation (EEF) published a report in September 2017 entitled *Fostering more industrious places*. This reflected increasing attention given to the Northern Powerhouse agenda in the second part of 2017. The EEF said:

Spreading devolution to all areas of England needs to be the main ambition behind the Government’s policy on place as part of the industrial strategy. Establishing strong governance of place through Devolution deals will subsequently allow a more meaningful conversation to take place on how each area can support the industrial strategy.⁸⁷

The EEF suggested that LEPs should be appointed as ‘deal-making agents’ on behalf of local areas to push this agenda forward. Areas should also be able to retain the benefits of productivity increases in the form of additional funding, or reduced spending.⁸⁸

⁸⁵ Table sourced from Sarah Calkin, “[Growth in combined authority workforces revealed](#)”, *Local Government Chronicle*, 16 April 2019

⁸⁶ Ruth Lupton, Ceri Hughes, Sian Peake-Jones and Kerris Cooper, [City-region devolution in England](#), LSE, November 2018

⁸⁷ EEF, *Fostering more industrious places*, 2017, p.3

⁸⁸ *Ibid.*, p.5

Much reaction from the local government world to the devolution of power has been positive, though this has not been a universal response.⁸⁹

Helen McKenna, of the King's Fund, has suggested that health and social care integration in Greater Manchester could have a transformative effect:

Although what is currently happening in Manchester is technically more a case of delegation than devolution, particularly as formal accountabilities will remain with the national NHS bodies, it is nevertheless a far cry from 'business as usual'....In exchange for more of a say over its own future, Greater Manchester is promising to deliver changes to health and care services that we and many others have long been calling for... But what makes Greater Manchester's devolution project so exciting is the fact that their ambitions go much further than the integration of health and social care to consider public services in the round. This creates the opportunity to look beyond the role of health services in determining health outcomes to the (far more influential) wider social determinants of health – for example, the roles of early years, education, employment and housing.⁹⁰

The House of Commons Communities and Local Government Committee published a report in February 2016 entitled [Devolution: the next five years and beyond](#). The Committee commended the general approach of devolving power, whilst recommending that greater attention be paid to transparency and accountability – both in the negotiation and implementation of deals. The Committee has opened [a further enquiry on devolution](#) in early 2020.

5.3 Extending devolution

A number of reports urging a refreshing of the devolution process in England were produced during 2017.

IPPR published a report in February 2017 entitled *Rebooting Devolution*. This argued for a framework of powers that could be taken on by local authorities. These would be accessible alongside additional accountability requirements (though elected mayors are not regarded as essential). The report argued for local bodies to cover county areas in most cases:

...any proposed devolution area must be based around existing institutions and a shared sense of place. ... there is little merit in creating new structures across a large economic area that means little in the public imagination...⁹¹

⁸⁹ For supportive responses, see Local Government Association, [LGA response to government announcement of devolved health budget to Greater Manchester](#), 27 February 2015; more cautious responses include Daisy Srblin, [Unanswered questions on devolved healthcare in Manchester](#), Fabian Society; Chris Ham, "What Devo Manc could mean for health, social care and wellbeing in Greater Manchester", [Kings Fund](#); Joy Furnival, [What Health and Social Care can learn from UK Devolution](#), University of Manchester.

⁹⁰ Helen McKenna, "Devo Manc is a far cry from 'business as usual'", [Manchester Policy Blogs](#), 1 April 2016

⁹¹ Jack Hunter, [Rebooting devolution: A common sense approach to taking back control](#), IPPR, 2017, p10

In similar terms, Reform's report [Vive la devolution](#) argued for decentralisation of public services commissioning to 38 devolved bodies across England. Lord Heseltine published a report entitled [Empowering English Cities](#) in July 2019, commissioned by the existing mayoral combined authorities, which argued for additional powers for mayoral bodies.

IPPR published a further report in February 2020 entitled [The Devolution Parliament](#). This advocated further devolution to city- and county-regional areas across England, plus devolution of powers related to economic planning and growth to four 'mega-regions': North, Midlands, South-East (including London) and South-West.

The Centre for Cities produced [a number of progress updates](#) entitled 'six months of..' each of the metro-mayoral areas in November 2017.

The Local Government Information Unit produced a report entitled [Beyond Devolution](#), produced following several meetings of a Local Democracy Network. It recommended that:

- A Mayors' Senate should be established, giving directly elected mayors from individual and combined authorities a firm constitutional role, shaping Brexit and scrutinising legislation.
- A Local Finance Commission, led by local government, should carry out a systematic review of how local areas are funded based on the expertise, knowledge and experience of local leaders.
- A constitutional settlement should be pursued in order to provide a framework and consistency over the roles and responsibilities of central and local government.
- An immediate 'devolution reboot' to continue devolving power to the cities and regions of England.

A report for the County Councils Network by Oxford Economics, in 2017, argued that county economies should feature prominently in the forthcoming industrial strategy. Combined authority areas should not be the only focus. Manufacturing forms a significant element in county economies, and potential exists to drive productivity gains there.⁹²

5.4 Public consultation

A number of criticisms were made of the lack of public consultation in most devolution negotiations. The 2009 and 2016 Acts require a statutory consultation process when a new combined authority is created or when new powers are devolved to it. These have taken place in the areas that have been offered devolution deals.

However, the negotiations *leading to* devolution deals are non-statutory and informal, and have been conducted confidentially to date. Professor Robin Hambleton of the University of the West of England has described the Government's policy as 'centralisation on steroids':

⁹² CCN, [Understanding County Economies](#), Oxford Economics, 2017

Ministers, not elected local politicians, still less local citizens, will decide whether the deals are acceptable. The accountability is up to distant figures in Whitehall, not down to local people.⁹³

The University of Sheffield and the Electoral Reform Society, with other partners, held two “citizens’ assemblies” in autumn 2015, in Sheffield and Southampton. Over two weekends, selected members of the public discussed devolution options in their local areas. Details of the assemblies and the outcomes of the public discussions can be found at <http://citizensassembly.co.uk/>. Similarly, Coventry held a [one-day citizens’ panel](#) on 9 September 2015, discussing whether the city should participate in the West Midlands combined authority.

Durham Council held a referendum in early 2016 on the (now aborted) North East devolution deal. Its cost has been estimated at £325,000.⁹⁴ In the event a number of questions were asked, and some 22% of the electorate responded. 60% said they thought the region getting some extra powers and controls from Whitehall would be a ‘step in the right direction’. 40% of respondents thought an elected mayor for the North East should have quite a lot of power and influence, while 48% felt the mayor should have limited powers.⁹⁵

⁹³ Robin Hambleton, “The devolution deception must be exposed”, *Local Government Chronicle*, 24 November 2015

⁹⁴ “Durham reveals devo poll costs”, *Local Government Chronicle*, 18 December 2015

⁹⁵ David Paine, “Results in on Durham’s devo poll”, *Local Government Chronicle*, 19 February 2016

6. Further reading

- IPPR, [*The Devolution Parliament*](#), February 2020
- UK2070 Commission, [*Make No Little Plans*](#), February 2020
- Lord Heseltine [*Empowering English Cities*](#), July 2019
- Ruth Lupton, Ceri Hughes, Sian Peake-Jones and Kerris Cooper, [*City-region devolution in England*](#), LSE, November 2018
- Chris Naylor and David Buck, [*The role of cities in improving population health: international insights*](#), King's Fund, June 2018
- Kieran Walshe et al., [*Devolving health and social care: lessons from Greater Manchester*](#), Manchester Business School, 2018
- Reform, [*Vive la devolution: devolved public services commissioning*](#), November 2017
- LGIU, [*Beyond devolution: the final report of the Local Democracy Commission*](#), October 2017
- EEF, [*Fostering More Industrious Places*](#), August 2017
- CCN, [*Understanding County Economies*](#), Oxford Economics, 2017
- Jack Hunter, [*Rebooting devolution: A common sense approach to taking back control*](#), IPPR, 2017
- London Finance Commission, [*Devolution: a capital idea*](#), January 2017
- Local Government Association, [*What next for devolution?*](#), July 2016
- National Audit Office, [*English devolution deals*](#), HC948 2015-16, April 2016
- Political Studies Association, [*Examining the role of 'informal governance' on devolution to England's cities*](#), March 2016
- [*Representation*](#), special issue, March 2016
- Ed Hammond, [*Cards on the table: English devolution and governance*](#), Centre for Public Scrutiny, March 2016
- Communities and Local Government Committee, [*Devolution: the next five years and beyond*](#), HC-369 2015-16, Feb 2016
- Joe Randall and Jo Casebourne, [*Making devolution deals work*](#), Institute for Government, February 2016
- Grant Thornton, [*Making devolution work*](#), November 2015
- [*On Devo*](#), policy@manchester, 2015
- Norman Warner and Jack O'Sullivan, [*Letting go: how English devolution can help solve the NHS care and cash crisis*](#), Reform, March 2015
- Independent Commission on Non-Metropolitan England, [*Devolution to Non-Metropolitan England: Seven Steps to Growth and Prosperity*](#), March 2015

Independent Commission on Local Government Finance, [Financing English Devolution](#), LGA/CIPFA, February 2015

Mark Morrin and Phillip Blond, [Restoring Britain's City States: Devolution, Public Service Reform and Local Economic Growth](#), ResPublica, February 2015

Centre for London, [The Brightest Star: A Manifesto for London](#), October 2014

City Growth Commission, [Human Capitals](#), [Connected Cities](#), [Powers to Grow](#), [Unleashing Metro Growth](#) [four papers], RSA/Core Cities Group, 2014

Ed Cox, Graeme Henderson and Luke Raikes, [Decentralisation Decade: A plan for economic prosperity, public service transformation and democratic renewal in England](#), IPPR/PwC, September 2014

Mark Morrin and Phillip Blond, [Devo-Max, Devo Manc: Place-Based Public Services](#), September 2014

London Finance Commission, [Raising the Capital](#), GLA, 2013

Lord Heseltine, [No stone unturned in pursuit of growth](#), BIS, 2012, plus [Government response](#), 2013

Communities and Local Government Committee, [Devolution in England: the case for local government](#), HC-503 2013-14, July 2014

		Greater Manchester	Sheffield	Tees Valley	Liverpool	West Midlands	Cambs/Pboro	West of England	Cornwall	North of Tyne	West Yorkshire
Public services	Health and social care integration										
	Children's services										
	Offender management, probation, prison estate										
	Troubled Families / Working Well										
	Police and Crime Commissioner										
	Fire service										
Finance	Investment fund (per year)	£30m	£30m	£15m	£30m	£36.5m	£20m	£30m		£20m	£38m
	Pilot retention of 100% business rates revenue										
	Business rates supplement										
	Community Infrastructure Levy										

Note: Cornwall County Council holds a number of the powers set out here in its capacity as a unitary authority (marked in pale green)

Devolution of police and fire to West Midlands and police to West Yorkshire is under discussion (marked in yellow)

Appendix 2: participants in devolution deals

Deal	Full members	Associate members	Authorities rejecting deal
Greater Manchester	Manchester; Salford; Tameside; Oldham; Trafford; Stockport; Bolton; Rochdale; Bury; Wigan		
Liverpool City Region	Liverpool; Wirral; Knowsley; St Helens; Sefton; Halton		
Sheffield City Region	Sheffield; Doncaster; Rotherham; Barnsley	Chesterfield; Bassetlaw; North-East Derbyshire; Derbyshire Dales; Bolsover	
West Yorkshire	Leeds; Calderdale; Bradford; Kirklees; Wakefield	York	
West Midlands	Birmingham; Sandwell; Dudley; Wolverhampton; Walsall; Coventry; Solihull	Redditch; Nuneaton & Bedworth; Tamworth; Cannock Chase; Telford & Wrekin	

Deal	Full members	Associate members	Authorities rejecting deal
Tees Valley	Darlington; Middlesbrough; Hartlepool; Stockton-on-Tees; Redcar & Cleveland		
Cornwall	Cornwall; Isles of Scilly		
Cambridgeshire / Peterborough	Cambridgeshire; Peterborough; Huntingdonshire; Fenland; East Cambridgeshire; South Cambridgeshire; Cambridge City		
West of England	Bristol; Bath & North-East Somerset; South Gloucestershire		North Somerset
North-East / North of Tyne	Newcastle-upon-Tyne; Northumberland; North Tyneside		Gateshead; Durham; Sunderland; South Tyneside
Norfolk / Suffolk	Norfolk; Suffolk; Forest Heath; St Edmundsbury; Babergh; Mid Suffolk; Ipswich; Suffolk Coastal; Waveney; South Norfolk; Broadland		Norwich; North Norfolk; Breckland; Great Yarmouth; King's Lynn and West Norfolk
Greater Lincolnshire	North Lincolnshire; North-East Lincolnshire; West Lindsey; East Lindsey; Lincoln City; North Kesteven; Boston; South Holland		Lincolnshire; South Kesteven

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