

WHAT NEEDS TO BE DONE?

ENABLE A SOCIALLY JUST DEVOLUTION

“CLES believes that devolution needs to secure a more positive economic and social destiny for localities.”

THE CHALLENGE

The government has embarked on devolving new powers to devolved nations and combined authorities. In England, devolution has seen a shift in some powers and resources with an investment fund ranging from £15m to £36.5m a year for some city-regions. There is hope and promise in all of this.

However, there are downsides. The devolution deals have been framed by austerity and locked into an economic model prescribed by the Treasury. People and places are expected to benefit either through trickle-down of new wealth generated through jobs, or a geographic ‘trickle outwards’ of wealth from city centres and growth areas.

Furthermore, any future devolution may not be forthcoming, as the government becomes pressed by the urgency of Brexit. To advance a socially just devolution there needs to be a greater emphasis on the social outcomes from the powers and resources already secured. This includes pursuit of activity that considers equality and the fairer allocation of resources to social, cultural, democratic and environmental activity.

A NEW NATIONAL CONSTITUTIONAL ‘CONVERSATION’ OR CONVENTION

The devolution agenda has slowed. However, we still have much unfinished business. There is a patchwork of arrangements, with growing economic competition between localities and increasing differences between areas (particularly between urban and rural areas). We need a deeper national constitutional conversation, involving local government, the London Mayor, Metro Mayors, Parliament, the business community, Unions and civil society organisations, to develop a coherent and enduring package for constitutional reform; moving us beyond the current piecemeal approach. It would also serve to draw the country together, by making clear the relationship between areas across all stakeholders.

A PROGRESSIVE SOCIAL DEVOLUTION

A progressive social devolution would move away from narrow, traditional aspects of economic development and put the social aspects of peoples’ lives at the centre of any future devolution plans. Human and social capital are the basis to a new productive, inclusive society. To do this, Metro Mayors and combined authorities, must look to use the powers they have. They should also seek to gain more control and power over national sources of social investment including welfare, education, funding for the social sector, cultural policy and arts funding.

DEVOLVE TO PEOPLE AND CITIZENS

Civil society, social action and democracy are the basis to a productive, inclusive economy and society. Therefore, we must accelerate existing experiments in participative democracy within combined authorities and local authorities. This includes citizen’s forums, youth assemblies and more co-produced solutions.

DEVOLVE REAL FISCAL POWER TO LOCAL GOVERNMENT

The 100% retention of business rates to local authorities in 2020, represents a step change in the funding of local government. However, it is unclear how fairness is to be ensured through the existing national redistribution mechanism. We need a fairer mechanism (where richer areas with much stronger business subsidise poorer ones). Moving forward, local control over Council Tax and business rates, based on the local market, and the introduction of hotel or tourist taxes could all be important levers to increase the total local tax intake, whilst also making contributions fairer.

[Extract from ‘What Needs To Be Done - The Manifesto for Local Economies’. Published by CLES, 2017.]