



ondevolution

English devolution has been conducted within a process of aggressive public service austerity and an era of market liberal economics, with scant concern for environmental, economic or social justice. **A genuine step change is needed.**

For CLES, progressive devolution is about the genuine transfer of power to people, communities and local democratic bodies, within a national system of fairness.

the challenge

English devolution is failing - both as a process and in terms of its outcomes.

The longstanding economic gap between London, the south east and the rest of the country has not been addressed¹, with regional inequality likely to widen further².

The recent history of devolution starts with the coalition government's (2010-2015) abolition of Regional Development Agencies (RDAs), and a subsequent confused and convoluted process of city regional 'devolution'. Although heralded as a 'devolution revolution'³, this process has stuttered forward under the stewardship of successive Conservative administrations, with various levels of enthusiasm to devolution from citizens. We have at times seen tortuous and fraught deal making, whereby local city regions (after much 'negotiation' with Whitehall and the Treasury) end up signing an agreement, with only some decentralisation of power and resources from Whitehall departments.

Crucially, these devolution deals have been framed by:

- a process of unprecedented Treasury controlled public sector austerity, outweighing any positives for city regions;
- financialisation, through capital investment return, with poor consideration for social or environmental return;
- significant rhetoric, spin and rebranding of existing infrastructure resources, (e.g. the Northern Powerhouse); and,
- a market liberal economic model which follows treasury green book rules. This is about creating the context for advancing economic growth in areas which already have growth. Poorer places, or those more distanced from economic growth are seen as benefiting either through a 'trickle down' in wealth through jobs or a 'trickle out' of wealth toward any outlying (and poorer) areas of cities and neighbouring towns.

In this current form, CLES believes that devolution is flawed, failing to provide meaningful action on social, economic and environmental injustice.



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The problem of regional economic inequality has bedevilled England for decades. Years of incremental ideas and piecemeal approaches have failed. We therefore need a progressive leap, which rejects the flawed devolution of the now and genuinely transfers power to people, communities and local democratic bodies.

Furthermore, this needs to be done within a deeper national system of fairness and with a commensurate response to climate emergency.

what needs to change

1. A new constitutional conversation for England The devolution agenda of the last nine years is flawed and is starting to unravel. There is a patchwork of arrangements; an array of areas with deals or without deals, with or without metro mayors, with or without city regions. Devolution has created new institutional and governance confusion, without tackling the fundamental issues of power and wealth, with growing economic competition between localities and increasing differences between areas (particularly urban and rural). All of this has been exacerbated by the rhetoric and spin of initiatives such as the Northern Powerhouse. To resolve this confusion, we need a national constitutional conversation, involving local government, metro mayors, Parliament, the business community, unions and civil society organisations. This would place the UK and England on a solid footing. It could also serve to draw the country together, in the aftermath of the current fractured Brexit debate.

This conversation should consider:

- how to develop a coherent and enduring package for constitutional reform;
- the possibility of a federal UK and regional England;
- reshaping local government so that it sits alongside central government as a co-director of the nation; and,
- a citizen assembly.

This whole conversation process should be run for 18 months and its recommendations, including any new legislation, be taken forward by Parliament.

2. A new national redistribution process There have been some calls for a national UK renewal fund⁴, or greater retention of local business rates. Both of these approaches provide a means of making the country fairer and/or give back some real power to local authorities. However, CLÉS argues that forms of renewal fund have been tried in the past and have failed to deliver the transformation that is needed (for example, the national strategy for neighbourhood renewal, and the RDA 'single pot'). Furthermore, local or city regional retention of business rates on its own would merely deepen inequality. As such, we need a clean start in which we create a national process of redistribution to deal with longstanding regional economic imbalances, and ensure a more level platform for all areas, in perpetuity. This should include a local needs assessment with a recognition that poorer areas need more resource.



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3. new local tax powers New local tax powers should be agreed only once an appropriate national redistribution method is established. These new powers should be used to create securer links between people and local government by increasing local tax intake. As such they could include control over council tax and business rates (based on the local market) and the introduction of local land value tax, as well as hotel or tourist taxes.

4. deepen democracy by devolving more power to people and citizens Civil society, social action and democracy are the basis to a productive, inclusive economy and society.

However, a substantive democratic process means going beyond the mere expression of private preferences at the ballot box. It means using deliberative mechanisms that allow all citizens to participate and have a real impact in the decisions that affect their daily reality. Therefore, we must accelerate existing experiments in participative democracy within combined authorities and local authorities, as well as any new regional institutions. This should include citizen's forums, youth assemblies and more co-produced solutions to the delivery of services.

5. Address climate emergency through a local Green New Deal In previous eras we have been encouraged to understand 'the economy' and 'the environment' as separate physical and conceptual entities, but we are now in an era where the deep symbiosis between the two must be treated as indubitable. The 'economic' must be recoupled to the 'environmental'. In particular, this calls for a national Green New Deal to have a local element and for local authorities/combined authorities to commit to a local Green New Deal plan. This should embrace the principles of community wealth building, delivered through anchor institutions, to engage local citizens in a piece by piece attack on extractive fossil capitalism.

References

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