

How should the next government complete the job of English devolution?¹

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Introduction

Substantial progress has been made in devolving power to local leaders in England over the past decade, through the establishment of metro mayors and combined authorities (MCAs) in a dozen regions. Devolution has begun to empower places like Greater Manchester and the West Midlands to take control of their own economic destiny. As of May 2024, over half of the population will be covered by devolution deals for the first time.

If done right, devolution offers a route both to improve economic and social outcomes, and also to tackle democratic disengagement, in particular in underperforming areas that feel left behind economically and left out of national debate. As such, devolution and stronger local leadership will be crucial for making progress with the current government's levelling up objectives, just as it is to achieving Labour's long-term missions to deliver sustained growth that benefits people in all parts of the country.

But English devolution is a job half done. Large parts of the country have been left out. The powers devolved are in many cases inadequate. The funding system is fragmented and short-termist. Insufficient attention has been paid to the capacity and structure of combined authorities. And the constitutional status of English devolution is uncertain. In short, this is not a settlement for the long term.

It is therefore welcome that there is a consensus across the political spectrum on the need for wider and deeper devolution. After the next general election there is a genuine prospect of moving beyond the current patchwork of deals towards a more coherent settlement for England as a whole.

Devolving well will be key for the next government, of whatever political stripe to achieve its missions. Far from all policies are suitable for devolution, and central government should retain a large role in many areas. But as it stands central government, is trying to do too much and, as a result, not doing it well. Devolving carefully – the right powers to the right institutions – can help better meet missions like higher growth while freeing up central government to focus on those functions and policies that are best managed at the national level.

This short paper sets out a range of specific reforms and policies that the Institute for Government recommends pursuing. It is informed by extensive research into devolution and regional policy and – we hope – offers a constructive set of ideas for how the next government can achieve its ambitions.

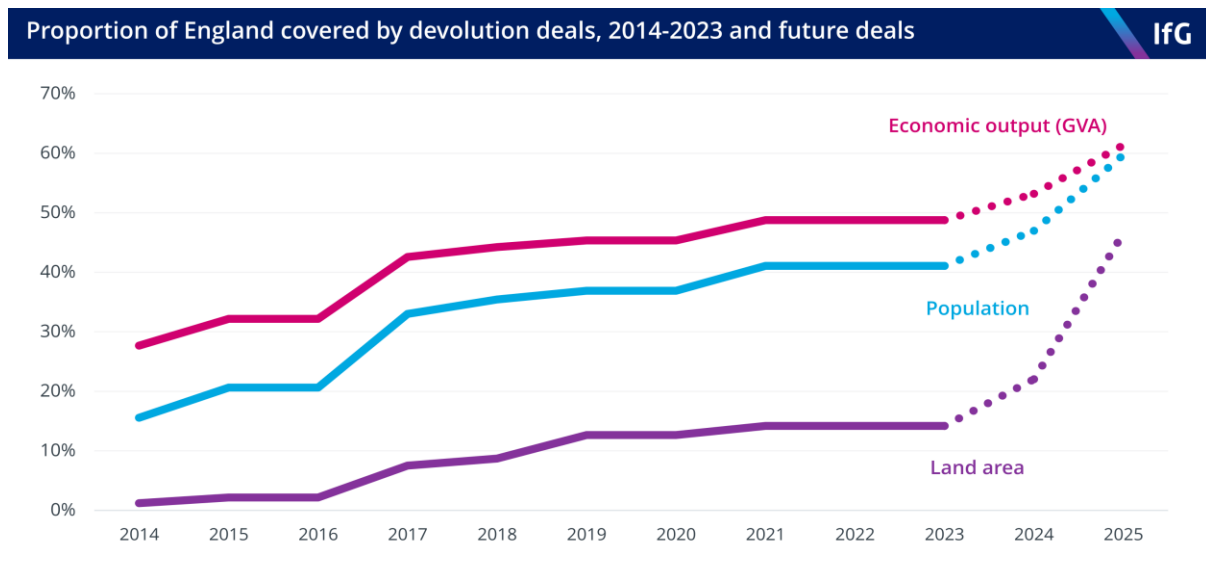
¹ This paper was presented and discussed at a private roundtable at the [Institute for Government](https://www.instituteforgovernment.org.uk) on 18 March 2024.

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Specifically, we offer proposals for how to achieve the following four objectives:

- Completing the map of English devolution
- Deepening devolution and reforming funding
- Strengthening governance and accountability
- Putting devolution on a firmer footing

Before setting out our detailed proposals under these headings, we first address the case for devolution, highlighting several distinct benefits devolution can deliver, which we hope will help the next government to develop its plans with a clear eye on why this matters.



Source: Institute for Government analysis of ONS population estimates, mid-year 2021; ONS regional gross value added, 2023; ONS standard area measurements for administrative areas in the UK, 2022. Notes: All data includes Greater London and excludes the 2015 Cornwall deal. Future deals are East Midlands, York and North Yorkshire, and the North East (2024) and Suffolk, Norfolk, Greater Lincolnshire, Hull and East Yorkshire, Devon and Torbay, Cornwall, and Lancashire (2025). We have assumed that all deals with no specific delivery date come into effect in 2025. Cornwall and Lancashire are non-mayoral deals.



The case for devolution

Devolution is not a magic solution to the country’s economic and social problems. There are many things only central government can do, and Whitehall will retain an important role even in devolved policy areas, for instance in establishing common standards, reporting requirements and funding mechanisms. So care has to be taken in determining which specific powers sit best at which level of government. Institutional capability and local political commitment to devolution matters too. Transferring powers to places that are not ready to take on those responsibilities can lead to poor results.

However, when done right, devolution can deliver a range of benefits both to the areas that take on devolved powers and to the country as a whole.

First of all, devolution can lead to *improved economic and social outcomes*:

- Devolution enables policy and services to be better tailored to local conditions and preferences, drawing on the ‘tacit knowledge’ that local leaders and institutions hold about their places.

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- Devolution can enable local leaders and institutions to join up across silos more effectively than central government, developing strategies for economic development that align key drivers of growth such as transport, skills, housing and planning.
- Devolution creates a ‘policy laboratory’ in which different places can innovate and test different approaches to tackling common challenges. If evidence about effectiveness is gathered and disseminated then places can learn from each other, leading to rising standards overall.

Second, devolution is also about *fairness and democracy*:

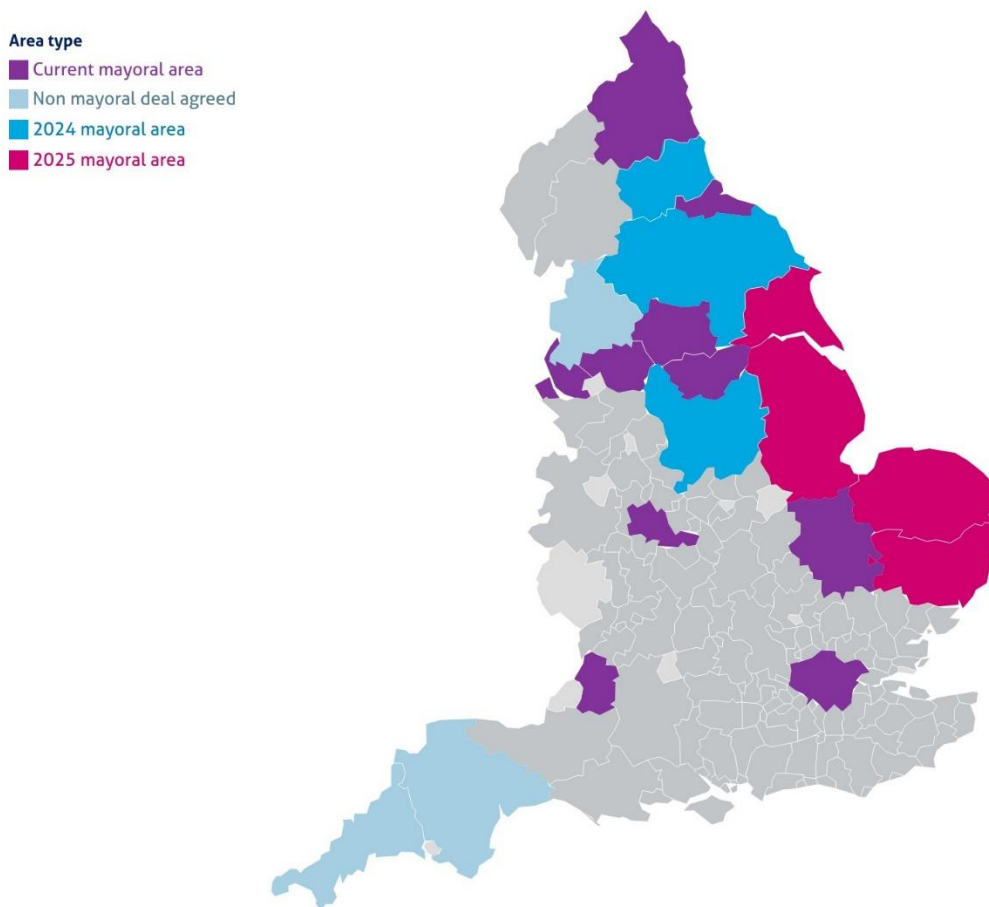
- Devolution can create institutions that reflect people’s sense of local and regional civic identity, ensuring that devolved bodies enjoy democratic legitimacy – although getting the geography of devolution right can be difficult.
- Devolution can give regions a stronger voice, by empowering elected mayors to speak and advocate for their places in national debate and in negotiations with government and business.
- Devolution can create new opportunities for democratic engagement and participation in the policy process, by creating institutions that are closer to the people and communities they represent.

Completing the map of English devolution

Both parties have committed to extending devolution to the large parts of England that have so far been left out. This plan to complete the map is the right one. Extending devolution has the potential to transform the democratic and economic fortunes of large parts of the country – only half the population is currently covered by devolution deals, leaving many communities without a powerful voice to promote their interests and unable to shape policy to improve the local economy. The partial coverage of devolution also undermines the efficiency of central government, creating a complex governance landscape and overburdening Whitehall with decisions better taken locally.

Growing coverage of English devolution, 2000-2025

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Source: Institute for Government analysis of UK government announcements, including the 2023 autumn statement.



Completing the map of English devolution may take longer than one Parliament. But with sustained effort and political will, substantial progress can be made in the next five years. The target should be to **ensure that at least three-quarters of the country is covered by devolution deals by the end of the next Parliament** and the final deals all under way. It's not credible to expect every area to move at the same pace. But nor should every deal be entirely bespoke: a patchwork of entirely different deals risks the same bureaucratic web that holds back delivery now. A clear timetable and framework for a completed, coherent map is needed. In the next Parliament, the next government should:

1. **Within the first six months**, produce a refined devolution policy framework that makes clear what powers are on the table, the criteria against which the government will decide what to devolve, and how decisions will be taken. The objective should be to open up the process and ensure that local leaders are given a timely and reasoned response to bids for new powers. This does not happen at present, resulting in local areas wasting effort and losing confidence in the government's approach to devolution.

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2. **Within the first 18 months**, complete deals with all the remaining large urban areas that are without devolution.³ These are likely to contribute the most to the growth fortunes of the UK and should be prioritised.
3. **Within three years** of taking office, set out a finalised map of devolution for the whole of England. This should set the geography for all remaining deals and a timetable for completing those agreements, demonstrating to the country that the government will deliver on its commitment to complete the map.

The most difficult challenge will be to agree the map – setting the boundaries within which the deals are done. It will require close working with local areas, but ultimately it will require some big political choices by a future government to shape the geography of devolution for the next generation of deals. To make those choices, the next government should:

4. **Apply a consistent decision-making framework.** There are range of factors to take into account when assessing geography – including economic geography, historic patterns of local identity, existing administrative boundaries and the strength of local political support. The next government should use a consistent framework of metrics to identify the trade-offs between these different metrics when concluding new devolution deals. **ANNEX A** sets out a draft of this framework, which ministers and officials can apply to guide decisions as it extends devolution into new areas.
5. **Focus on its priorities:** In applying this framework, the next government should establish a clear set of priorities for deciding between different potential geographical footprints for devolution. Given the broad consensus that increasing productivity growth is a pressing priority, the economic geography of areas should be key, meaning that new deals should align where possible with 'travel to work' areas, local housing and labour markets. However, where local support for devolution is weak, the process may have to move more slowly to allow time for building of local consent.
6. **Revisit and renegotiate existing deals:** the next government may have to reopen some existing deals, where the existing boundaries make little sense or risk leaving out neighbouring areas altogether. For instance, the West of England Combined Authority should be expanded to include North Somerset, the new Devon and Torbay deal should bring in Plymouth, and the Lancashire deal could potentially be extended to Cumbria.
7. **Align other administrative boundaries:** Clearer alignment between the geography of devolution and other administrative boundaries (including in the NHS, policing and transport) would help local leaders to join up across silos and deliver better outcomes for citizens. Major structural reorganisation is disruptive, but the next government should set as a default that all government departments align the delivery of new initiatives with the agreed boundaries. It should also prioritise the alignment of Local Skills Improvement Plans with devolution deals

³ At present, 9 of the 25 largest 'primary urban areas' (PUAs) (based on 2021 Census data) are without devolution, including Leicester, Portsmouth, Northampton, Bournemouth, Southampton, Stoke, Southend, Reading and Brighton. Source: figure 1, www.centreforcities.org/blog/what-do-the-first-census-2021-results-say-about-the-state-of-urban-britain

Using the alternative ONS definition of 'Built Up Areas' (BUAs), which are smaller than PUAs, there are three additional top-25 urban areas without devolution: Milton Keynes, Plymouth and Luton (though under the BUA definition, Southend and Bournemouth are ranked out of the top 25). Source: www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/townsandcitiescharacteristicsofbuiltupareasenglandandwales/census2021

and complete the job of integrating Local Enterprise Partnership functions with combined authorities and county councils.

8. **Encourage unitarisation in two-tier areas:** In some cases, effective implementation of devolution is complicated by a messy local government landscape. This is particularly true in county areas with a mixture of county, district and unitary authorities, as in Essex, Kent, Hampshire and Lancashire. In such places, the next government should support locally-led unitarisation initiatives, splitting large counties into two or three unitary authorities, then establishing combined authorities at the historic county level. Taking some of the pain of reorganisation early on could help to create a more stable and durable settlement for the long term.
9. **Be prepared to decide:** The priority should always be to agree the geography of new deals with local leaders. But local rivalries and party political considerations will make that more difficult in some areas. An entirely bottom-up approach also risks leaving some places out entirely. To complete the map in difficult areas, the next government will therefore have to be prepared to decide itself on the final geography of devolution.

Deepening devolution and reforming funding

Providing more coherence and consistency to devolution across England is important for reasons outlined above. But to boost economic growth, it is also important to extend the powers of existing mayors – most of whom cover England’s largest cities. England’s cities outside London underperform economically, and are operating at some way below their economic potential given the natural agglomeration advantages they should enjoy.⁴ London’s economy also compares unfavourably to international comparators.⁵

Devolution has the potential to transform city region economies over time. Empowering combined authorities to develop and deliver economic strategies that join up policies and interventions more effectively will enable growth. Strong and visible local leaders are also able to present a clear vision of a region’s future to domestic and international business to help drive inward investment.

This has been the logic of the UK’s approach to English devolution, but it has not gone far enough and there are gaps that hinder mayors from delivering a coherent economic strategy. As devolution continues to mature, the next parliament will present an opportunity to improve the devolution offer in a way that ensures this new tier of government can deliver higher growth. With more power should come more robust accountability mechanisms, which we address in a subsequent section.

Given that deeper devolution will affect the funding of combined authorities, the next government should reform the powers of existing metro mayors in time for its second multi-year spending review, likely towards the end of the decade. Specifically, the next government should:

10. **Expand the powers in the trailblazer deals.** The trailblazer devolution model currently being implemented in Greater Manchester and the West Midlands is a step forward that will help provide the powers and flexibility mayors need. However, it is not the endpoint of the devolution process and there remain gaps that will prevent authorities driving economic

⁴ Pope T, Dalton G and Coggins M, *How can devolution deliver regional growth in England?*, Institute for Government, May 2023, <https://www.instituteforgovernment.org.uk/publication/devolution-deliver-regional-growth>

⁵ Breach A, Bridgett S and Vera O, ‘In place of centralisation’, Resolution Foundation, November 2023, <https://economy2030.resolutionfoundation.org/wp-content/uploads/2023/11/In-place-of-centralisation.pdf> ,

activity in their region as effectively as they could. There are three policy areas with a particularly compelling case for inclusion in the trailblazers:

- Employment support (to enable local leaders to coordinate active labour market interventions with skills policy);
- 'Translational' R&D spend (the part that focuses on spin outs and other profitable ventures from ideas already generated); and
- Planning (where meaningful strategic spatial plans are currently hard to deliver, hampering coordination with transport and infrastructure).

11. **Improve the single settlement by removing ringfences and developing a fair and comprehensive formula for allocating funds** to different areas. The single settlement is a major step forward which will provide areas more genuine control over how to spend money on key economic priorities in their area. As well as expanding the funding streams included alongside the recommendation above, the next government should look to increase the flexibility it provides to authorities to ensure they can spend money more effectively. This should include merging the separate funding streams into a single pot and ensuring local areas are held to account for achieving key outcomes set by central government – rather than satisfying onerous box-ticking on process and procedure. As the model is extended across the country, the government will also need to develop a consistent methodology for allocating funding to different places.
12. **Extend trailblazer deals to other combined authorities that have already been established.** Most CAs outside Greater Manchester and the West Midlands should complete level 4 deals this year in time for the next spending review. This will allow them to reform their internal operations in a way that will help to prepare for a trailblazer (de facto level 5) deal. To help drive growth across the country, those combined authorities that demonstrate their ability to effectively take on greater financial autonomy should be granted the new, improved trailblazer deal in the next parliament.
13. **Consider further devolution to Greater London alongside the deepening of devolution deals elsewhere.** London will continue to be the biggest engine of growth for the UK, and although it outperforms other UK cities it still underperforms compared with large capital cities in other advanced economies. Power was devolved to London long before other city and regions, and to date, many of the devolution deals since 2015 have provided powers to other metro areas that London already has. But the trailblazer deals go beyond London's offering in several respects, including in the creation of a single settlement funding model and in devolving powers relating to retrofit budgets to achieve net zero. As devolution is deepened elsewhere, London should not be left out in order that the capital can fulfil its economic potential and continue to support growth in other parts of the country. The next government should conduct a review of devolution to London to work out a path forward that takes into account – and considers potential reforms to – London's distinct governance model.
14. **Reform and simplify the funding of all combined authorities.** The single settlement is a big step towards creating the budget certainty and flexibility that combined authorities need, but this model will initially only apply in two places. The aim should be to get other combined authorities to the position where central government is satisfied they have the capacity and capability to make the important allocation decisions on funding their services and initiatives. The existing fragmented funding landscape risks holding back devolved bodies by restricting

their ability to develop and implement joined-up, long-term strategies.⁶ Funding should therefore be reformed to offer more flexibility for places outside of the single settlement, recognising that central government will have to play an ongoing role in ensuring that public money is spent well, while working with local leaders to build up their strategic capacity at the devolved level. The same aim should apply more broadly to all local authorities to ensure they are not held back from growing the capacity and expertise that will be needed at the next level of devolution.

15. To achieve this, the next government does not need to start from scratch, but instead should **commit to strengthening and expanding DLUHC's Funding Simplification Doctrine**. As part of this, it should provide clear guidance on when competitive pots should be used and how the fund bidding process can be designed to minimise costs. This includes running funds over multi-year timeframes with longer lead-in times. To ensure this is enforceable, the Treasury should commit to funding simplification plans and publish binding guidance for departments alongside the next spending review. The aim should be a dramatic reduction in the number of different funding streams for local growth and other projects, marking a clear shift from this government's approach which has been characterised by a proliferation of multiple, often overlapping streams like the Levelling Up Fund and Towns Fund.

Implementing the above reforms in five years would represent a substantial achievement and set combined authorities up to deliver further growth. The next government should also have one eye on how devolution might evolve beyond the next parliament, setting in train the necessary preparatory work to take devolution in new directions. There are two areas in particular that stand out as being promising opportunities but where it is unlikely to be appropriate to devolve in a major way in the next parliament.

16. **Build an evidence base to determine whether to expand devolution to the wider determinants of local economic performance.** To date, devolution has focused principally on direct economic levers, and these should remain the initial priority for further devolution. However, economic outcomes are determined by a wider set of government services and interventions, and many of the arguments in favour of devolution of economic levers (like the benefits of local knowledge and the ability to coordinate different policies) also apply to public services like health and justice. Some mayors already have a role in these areas, for instance the Greater Manchester Combined Authority has partnerships with the NHS and Ministry of Justice. Moving towards fuller devolution of such services would need to be considered carefully. Work should begin early to build the evidence base on whether and how devolution of different public service levers will improve outcomes.
17. **Pilot 'tax sharing' with some combined authorities as a first step of fiscal devolution.** There is good evidence that associates tax devolution more strongly with improved economic outcomes than devolution of policy levers alone. The UK's tax system is unusually centralised, and tax devolution has been a natural progression of policy devolution in Scotland, Wales and Northern Ireland. There are risks to devolving taxes, especially if key mechanisms like how to redistribute between richer and poorer areas are not thought through. Towards the end of the next parliament, or early in the one after, it would be appropriate to introduce pilots of tax revenue (rather than rate-setting) devolution of one of the main taxes on a small scale.

⁶ Pope et al, *How can devolution deliver regional growth in England?*, page 40

Strengthening governance and accountability

The more power that is devolved, the greater the requirement for effective scrutiny and accountability mechanisms. At present, however, scrutiny of metro mayors and combined authority decision-making is under-resourced and patchy, and there is too little transparency about what combined authorities do and how they spend public money. At the same time, combined authorities are often hamstrung by complicated rules that hinder their ability to take effective decisions. The next government should reform MCA governance and accountability arrangements to ensure that devolved bodies are better placed to help improve economic and social outcomes. To enable effective oversight by voters and central government, the next government should:

18. **Clarify how MCAs will be held to account for the outcomes they deliver.** With the move to greater budgetary flexibility at the mayoral level traditional input-focused accountability mechanisms are inappropriate. Instead, a new robust assurance framework is needed which requires MCAs to account for the outcomes they will deliver by using devolved powers. Overlaying this should be a mitigation matrix where DLUHC makes clear the type of interventions that would be available to Whitehall should performance fall significantly below pre-agreed levels, for instance in relation to improvements in local transport systems and population skills. This model is currently being developed as part of Trailblazer devolution deals.
19. **Work with MCAs to establish a consistent financial and performance approach.** This would enhance accountability and make it easier for MCAs, the public and local PACs to compare their funding settlements with those offered to other regions. This would also help to clarify funding sources from central and local sources, and enable better project evaluation. After consultation, a revised framework should be in operation by the midpoint of the Parliament at the latest.
20. **Extend the mayoral capacity fund with additional resources provided to enhance data analytics capacity in combined authorities.** This funding should be allocated in the first spending review after the general election, and its purpose would be to improve the evidence base for decision-making within combined authorities.⁷ Combined authorities should be encouraged to learn from the ‘Office of Data Analytics’ model that has been implemented in places including Greater Manchester and Greater London.

In addition to these reforms, the next government should strengthen combined authority scrutiny and accountability mechanisms in line with common practice at a national level. This will help to deliver local value for money and drive better outcomes. These reforms matter most for devolution deals with the greatest new powers and freedom and should be developed in tandem with the reforms to powers and funding outlined above. The reforms suggested here should therefore be in place for the second multi-year spending review:

21. **Establish local Public Accounts Committees for all existing mayoral combined authorities** and make this a requirement for all future devolution deals at level three and above. The new committee would be comprised of a range of local stakeholders including councillors and local MPs to examine the economy, efficiency and effectiveness of mayoral programmes.⁸ Each such committee should have the power to call witnesses – including metro mayors and

⁷ Paun A, Henderson D, Hourston P, *The art of the devolution deal*, Institute for Government, July 2023, page 46.

⁸ Paun A, Nice A, Rycroft L, *How metro mayors can help level up England*, Institute for Government, June 2022, page 55.

their advisers – and to require the provision of financial information from the combined authority it scrutinises, and to commission reports from external bodies to support their work. Additional resources for the scrutiny system should be provided.

22. **Turn the chief executive of each combined authority into the accounting officer** for fully devolved budgets, at least in places with level 4 or level 5 (trailblazer) deals.⁹ This would make the chief executive directly accountable for oversight of spending within certain non-ringfenced blocks of funding. Chief executives should also be empowered to request a ‘mayoral direction’ if a given project does not meet all of the following criteria: regularity, propriety, value for money and feasibility. In this case, the mayor would themselves be held directly accountable for the decision. This model would replicate how accountability works at the departmental level in Whitehall.¹⁰
23. **Review the constitutions of combined authorities to streamline decision-making.** The next government should review the constitutions of combined authorities with the objectives of reducing the number of veto points for important strategic decisions, as well as increasing consistency in the rules in different areas. Combined authorities are constituted to take collective decisions with the mayor setting the direction and working in partnership with other local leaders.¹¹ However, many MCA constitutions require unanimous or supermajority support for many key decisions, such as the agreement of budgets, spatial plans, transport strategies and investment plans. This hampers the ability of MCAs to take big strategic decisions, and makes it more likely that specific local concerns override the interests of the region as a whole. The next government should identify particular pinch points and require places to streamline decision-making, by moving towards simple majority requirements for most decisions, as a quid pro quo for deeper devolution deals at level 4 and above.

Putting devolution on a firmer footing

The status of English devolution is uncertain and unstable in comparison to devolution to Scotland, Wales and Northern Ireland. This limits the ability of metro mayors and other local leaders to develop and implement economic strategies for their places, since their powers and funding remain subject to change and override from central government. There is also substantial variation in the powers of different metro mayors – often for no clear rationale.

We believe the next government should put devolution on a firmer footing through legislation that recognises English devolution as an important tier of government in its own right and creates a clear right for places to draw down powers from Whitehall. Early steps should be taken in the next term to strengthen the relationship between Whitehall and local leaders across England. This will support the ability of metro mayors to work in partnership with central government and each other in order to improve outcomes in their areas. Specifically, the next government should:

24. **Recognise English devolution as a permanent feature of the governance landscape.** Devolution to Scotland and Wales is recognised in law as a permanent feature of the UK constitution. The next government should legislate to put similar provisions into statute for England, recognising for the first time that there is a permanent need for an intermediate tier

⁹ Paun A, Nice A, Rycroft L, *How metro mayors can help level up England*, Institute for Government, June 2022, page 55.

¹⁰ This model is explained in detail in Freeguard G, Davies O, Tingay P, ‘Ministerial Directions’, at:

www.instituteforgovernment.org.uk/explainer/ministerial-directions

¹¹ Paun A, Henderson D, Hourston P, *The art of the devolution deal*, Institute for Government, July 2023, page 43.

of government at the regional level and stipulating that existing combined authorities should not be abolished without the consent of all constituent councils.

25. **Establish the principle of ‘devolve or explain’.** The next government should also create a new legal right for metro mayors to formally request the devolution of any power devolved elsewhere in England, and to receive a public, timely response from government that – if the answer is no – explains the reasons and sets out conditions that would have to be met for the power to be devolved in future.
26. **Commit not to introduce new initiatives in devolved areas without consultation.** The first King’s speech after the general election should include a public commitment that the government will not announce new policy or spending initiatives in areas that are devolved to metro mayors without first consulting them and seeking their consent.¹² This would not prevent the government from acting unilaterally, but it would set as an expectation that the views and voices of devolved leaders would be heard and considered in the policy process.
27. **Host a Prime Minister/Deputy Prime Minister-Mayoral Summit within two months.** The PM and/or DPM should meet with all the elected metro mayors in a high-profile summit to be held within the two months after the next general election. This meeting would offer an opportunity for mayors to contribute to the development of the government’s overall economic strategy. The prime minister should also commit to hosting this summit annually, with meetings rotating around different cities of England where metro mayors are in post. This would send a strong signal that the government recognises metro mayors as important strategic partners in helping to deliver the party’s economic missions.
28. **Establish a new set of minister-mayoral committees.** The next government should set up a review, in partnership with the ‘UK mayors’ group, to identify ways to strengthen the relationship between government and combined authorities. One specific objective should be the establishment of a new system bringing together mayors and ministers, analogous to the inter-ministerial groups at which UK ministers engage with counterparts from the devolved nations. This could take the form either of a single policy consultation committee or separate committees for key policy areas such as transport, skills and housing, with ministers from the lead departments for these functions meeting mayors on a quarterly basis.¹³ The Secretary of State for Levelling Up should play a central role in this system, for instance by chairing the main committee. This would offer a forum for mayors to be collectively consulted about government decisions affecting them and their powers, and would help ministers to take policy decisions better informed by local insights about what will work.
29. **Launch a new interchange scheme between the civil service and combined authority officials.** A further way to improve relationships and the flow of information between central and devolved government would be for the next government to set up a new staff interchange scheme for civil servants and combined authority officials.¹⁴ This could include short-term placements and shadowing options, as well as longer-term secondments, and these schemes should be targeted at parts of Whitehall central to devolution such as the Treasury and DLUHC. Regional civil service hubs such as the Darlington Economic Campus should take particular responsibility for fostering links with combined authorities.¹⁵ The next government

¹² Paun A, Nice A and Rycroft L, *How metro mayors can help level up England*, Institute for Government, 2022, page 59.

¹³ Paun et al, *How metro mayors can help level up England*, page 59.

¹⁴ Paun et al, *How metro mayors can help level up England*, page 58; Paun et al, *The art of the devolution deal*, page 43.

¹⁵ Urban J, Pope T, Thomas A, *Settling in: Lessons from the Darlington Economic Campus for civil service relocation*, Institute for Government, 2023, page 23.

should also designate a senior point person for each devolved area with a remit to connect local officials to relevant people across government.¹⁶

30. **Set aside funding for policy evaluation and learning.** The next government should also set aside funding for the evaluation of policy innovations and experiments taking place in different devolved areas.¹⁷ This funding should be used to commission independent research assessing and comparing the effectiveness of policy and spending decisions taken by different combined authorities, for instance in how they have used devolved skills budgets to improve the level of qualifications among specific groups.¹⁸ The government should consult with the ‘UK mayors’ group in determining how best to use this evaluation budget, whose purpose would be to make a reality of the ‘policy laboratory’ that devolution holds the potential to create.
31. **Review the electoral system for mayoral elections.** Finally, the next government should review the impact of the recent introduction of the first-past-the-post system for mayoral elections, and consider a return to the previously used supplementary vote, or the alternative vote model.¹⁹ Under these systems, candidates are incentivised to appeal to opposition voters for second preference votes and therefore to build a wider coalition of support from across the region. Under first-past-the-post, future mayors could take office with the support of a third of voters or less, comprising votes from their core support base. Mayors taking office in such circumstances would likely be less able to deliver effective leadership, given that the MCA devolution model requires consensus and coalition building.

¹⁶ McKee R, Pope T and Coggins M, ‘*Levelling up’ from the centre: Six tests for a government serious about reducing regional inequalities*, Institute for Government, 2023, page 35.

¹⁷ Pope et al, *How can devolution deliver regional growth in England?*, pages 15, 38 and 44.

¹⁸ See Sasse and Nice, *Net zero and devolution*, page 30, which highlights that combined authorities could help central government understand emerging skills gaps and that resources and insights of combined authorities are not being utilised.

¹⁹ Paun et al, *How metro mayors can help level up England*, page 40; Paun et al, *The art of the devolution deal*, page 51.

Annex A – Criteria to consider in completing the devolution map

The framework below builds upon the three criteria outlined in the Levelling Up White Paper (size, functional economic area, identity) drawing on findings from Institute for Government research on what makes for a successful devolution deal and the depth of powers required for different levels of government. It outlines five success criteria and some metrics which can be used to help inform the judgement.

The final weighting across the five criteria are political decisions to be made in light of specific government priorities. The framework will help to inform judgements about different geographies particularly where there are competing visions for devolution deals. Once a final geography is decided it will also establish risk factors which will help to prioritise the level of support required from central government to make a success of devolution.

Criteria	Metrics
Geography	Population size. Green where the total population is similar to existing Combined Authorities. Red where populations become too small (e.g. 0.5 million) or larger than international comparators (3 million)
	Residual area size – whether the footprint leaves a residual size of less than 0.5m
Economics	Travel to Work Area – establishing the local labour markets by considering how aligned a given proposal is with travel to work areas? Does the proposal contain multiple nested TTWAs, if so are they fully contained within the proposed footprint?
	Transport area – how does the footprint align to existing bus / car usage?
	Housing area – how well does the footprint align to local housing markets?
	Travel time to HQ – establishing the time it takes for a round trip from major centres to the proposed headquarters for the area
Identity	Is there alignment with historic or other local boundaries?
	Is there evidence of public support e.g. via polling or consultations
	Is there meaningful media coverage for the locality (i.e. how well does the footprint align to ITV / BBC media regions?)
Implementation	How well does the footprint align with other public sector boundaries such as: The police authority, the LEP, any transport authority, the ICS, the LSIP, any utility supplies
	Is there a pre-existing structure for partnership working e.g. a combined transport authority
	Will there be any disruption to pre-existing governance structures?
Politics	Is there a pre-existing strategy?
	Were previous devolution deals forwarded on similar boundaries and where challenges occurred have they been resolved?
	Has there been consistent commitment from local political leaders and local authorities?
	Is there support from all local MPs?
	Is there evidence of support from other local institutions such as business lobby groups, universities and major regional employers?