How metro mayors can help level up England
About this report

The government has promised to “extend, deepen and simplify” devolution to England’s cities, towns and counties. This places directly elected local leaders – such as the metro mayors elected in nine English city-regions since 2017 – at the heart of the government’s levelling up agenda. This report is the Institute for Government’s contribution to the debate on how the devolution process should be taken forward and is based on extensive interviews with mayors, officials and other local government experts, and the Institute’s own detailed assessment of the metro mayor model.

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Summary

The government has promised to “extend, deepen and simplify” devolution to England’s cities, towns and counties. That commitment lies at the heart of its levelling up strategy to reduce regional economic inequality. Levelling up is a national agenda, but the government rightly recognises that top-down action will not be enough. Further devolution and visible local leadership, within a national framework and backed by sufficient investment, will be crucial for success.

This report is the Institute for Government’s contribution to the debate on how this devolution process should be taken forward. We draw out lessons from a detailed assessment of the ‘metro mayor’ model – the government’s preferred approach to devolution in recent years.

Metro mayors are directly elected leaders of regions spanning several local areas, typically around urban centres such as Manchester, Birmingham and Leeds. Each chairs a ‘mayoral combined authority’ (MCA) of council leaders from their region. There are currently nine metro mayors across England.

The main functions devolved to MCAs are intended to boost economic performance and include aspects of the transport, housing, skills and planning systems. Some have broader public service functions too, for instance over policing, justice, health and employment programmes. The nine MCAs control budgets totalling more than £4bn.

The government now promises to strengthen the powers of existing metro mayors and to establish new mayor-led devolution deals across England. Its preference for the mayoral model is clear. Areas that do not adopt some form of mayoral leadership (with or without an MCA) will be given fewer powers and may have to wait longer for a deal, or risk not getting one at all.

As the government negotiates these new devolution deals it should learn from the successes and failures of metro mayors so far. The first metro mayors were elected five years ago and it will be some time before we can judge their impact on indicators such as economic productivity or wellbeing. However, there is much that can already be concluded about the value metro mayors bring – as well as the limitations of this model.

In some places the model has struggled – for instance where the boundaries of the MCA align poorly with economic activity or voters’ sense of place. The performance of the mayors themselves has also been variable over time and across different regions. Local scrutiny mechanisms necessary to hold metro mayors to account do not work well and need bolstering.
But in almost all cases the existence of metro mayors has brought demonstrable benefits to their regions and to the overall governance of the country.

Mayors such as Andy Burnham (Greater Manchester) and Andy Street (West Midlands) have become household names as recognised city-regional leaders. Direct election gives them the authority to speak on behalf of their areas – not least in negotiations with central government or potential investors, including on the international stage. They also served as visible local champions during the pandemic. Their personal electoral mandate grants them undoubted influence and the power to shape the agenda, for instance in identifying local priorities for investment or determining the direction of reform of local transport and skills systems.

There are many examples of projects metro mayors have personally driven forward. Steve Rotheram has championed a 5G broadband network across the Liverpool City Region. Ben Houchen has brought substantial public and private sector investment to regenerate post-industrial parts of Tees Valley. Tracy Brabin has used her powers over policing in West Yorkshire to prioritise victims and tackle violence against women and girls. Jamie Driscoll in the North of Tyne has championed workers’ rights and used procurement processes to ensure a living wage is paid.

But despite their high profile and influential voice, metro mayors must lead by persuasion and negotiation. They are not powerful executive figures, like the mayors of US cities for example, but first among equals on the MCAs they chair. On most important issues, they cannot act without the consent of council leaders.

Even where there is local consensus, for instance on transport or infrastructure investment, mayors find that their freedom of action is heavily circumscribed by the need for Whitehall agreement. MCAs have limited ability to reallocate budgets across departmental silos and few revenue streams that they fully control.

These constraints were created intentionally – to assuage local council leaders unconvinced by the mayoral model, and to assure government departments that the budgets they control would be put to good use. That scrutiny of performance matters, and is something the Institute for Government backs. But the consequence is that metro mayors are hamstrung in their ability to solve the very problems that government, in its *Levelling Up the UK* white paper, recognises require local solutions. The result is that unrealistic expectations have been set for what metro mayors can achieve and for what they can therefore be held to account.

The government has now recognised the need to take a bolder approach to devolution. It is correct that successful levelling up cannot be done from the top down. It should now show the courage of its conviction by empowering and supporting metro mayors – and elected leaders elsewhere in England – to lead the social and economic regeneration of their regions. Further devolution will require reform of accountability systems too, to ensure the new powers are properly scrutinised.
To this end, we set out recommendations for how the powers, funding, governance and scrutiny of MCAs can be improved, how government should change to help mayors and MCAs succeed, and how mayors can become most effective in their roles.

This report is a product of a detailed study of how metro mayors have operated over the past five years. It is informed by more than 30 private conversations with people from national, local and devolved government, and other stakeholders and experts, as well as public events with four existing metro mayors. We are grateful to the JRSST Charitable Trust for its support of this programme of work.

Figure 1 **Current state of English devolution, by mayoral arrangement and metro mayor party**

Recommendations in brief

Deepening devolution

- **The next phase of devolution should ‘fill in the gaps’ of the existing settlements.** Skills, transport and (green) infrastructure are good places to start, but the same principle could be applied in other policy domains as well.

- **Metro mayors should be granted a more coherent sphere of policy autonomy,** for which they can meaningfully be held to account.

- **The government should establish a right for an MCA to request any power that has been devolved elsewhere in England,** possibly via legislation. Such requests should be made public and subject to local consultation.

- **The government should commit to respond publicly to any such request** and – if it says no – to specify the conditions that would have to be met for the power to be devolved.

- **The government should conduct a full devolution audit,** clarifying which powers are devolved where, and should publish this in its annual devolution report.

- **The government should consider the case for a rebalancing of power between mayors and other local leaders on the MCAs.**

- Devolution should not lead to local government being stripped of powers against its will. But **where local councils are willing to pool further functions they could be rewarded,** for instance with additional flexibilities over spending.

Simplifying funding

- **The government should establish long-term funding settlements for policy objectives such as improving adult skills and reaching net zero.** The MCAs resourced by the Treasury to deliver specified economic, social and environmental outcomes and provided flexibility to allocate budgets to reach the agreed targets.

- **The government should ensure that the existing investment funds,** and any new long-term funds created, are inflation-linked, which is not currently the case.

- **The Treasury should also explore ways to enable MCAs to retain a share of revenue gains from successful local growth interventions,** such as investment that raises the value of land or skills interventions that reduce welfare dependence.

- **The overall objectives of MCA funding reform should be to deliver:** increased flexibility, greater long-term certainty, reduced bureaucracy, accountability for outcomes rather than delivery of specific projects, and stronger incentives for metro mayors to take decisions that boost growth.
• The government should work with the MCAs to create a consistent approach for reporting MCA income and spending. This would enhance accountability and make it easier for MCAs to compare their funding settlements with those offered to other regions.

**Strengthening scrutiny**

• There are particular problems with attendance of MCA scrutiny meetings. The quoracy threshold for scrutiny committees should be reduced from two thirds to at most one half.

• The government should provide additional funding to pay councillors for participating in scrutiny committees, with payments linked to attendance. It should also fund additional staff to support scrutiny.

• The government and the MCAs should increase accountability and strengthen public oversight by making it easier to access information about the powers of the MCAs and their performance.

• The government should also consider the case for more radical scrutiny reforms and the creation of new accountability mechanisms, especially in places that secure more sweeping powers and fiscal flexibility.

• For instance, local public accounts committees could be created, and MCA chief executives could be made directly accountable for oversight of spending. In line with practice for Whitehall accounting officers, they could seek a formal instruction to proceed from the mayor if they don’t believe spending offers value for money.

**Reforming the centre**

• To deepen understanding of devolution across Whitehall, the government should invest in a dedicated training programme for domestic policy officials on the role of metro mayors, MCAs and local government.

• The government should encourage interchange of civil servants with officials working for MCAs, through secondments or short-term placements, to increase mutual understanding and build relationships between the different levels of government.

• The government should ensure that the new regional levelling up directors are used to facilitate better relations between MCAs and Whitehall, rather than becoming either rivals to MCAs, or buffers between mayors and government departments.

• The government should launch a joint review of its relations with metro mayors to establish a published framework for consultation, co-operation and dispute resolution between government departments and MCAs.
• An outcome of such a review could be the establishment of a ministerial–mayoral committee involving metro mayors and ministers from key departments. A forum for individual MCAs to have discussions with several departments at once on cross-cutting issues would also be beneficial.

• The government should commit not to reverse or amend the terms of devolution to metro mayors without local consent, or to announce new initiatives that relate to devolved functions without prior consultation with metro mayors.

• The government should also tread carefully before pushing mayoral devolution where local commitment to make this work is weak. Past experience shows that this can lead to dysfunctional local relationships and poor outcomes.

Closing the democratic deficit

• Metro mayors should set out clear strategies for public engagement, including measurable targets relating to public understanding of, and support for, devolution.

• The government should keep under review its recent change to the first-past-the-post voting system for mayoral elections due to the risk that this reform will undermine incentives for mayors to appeal to supporters of other parties, and could therefore weaken their effectiveness as local leaders.
1. The context: devolution and levelling up

Devolution to the cities and counties of England has been placed at the centre of the government’s plans for reducing regional inequality. As its *Levelling Up the United Kingdom* white paper stated: “the UK’s centralised governance model means local actors have too rarely been empowered to design and deliver policies necessary to drive growth.”¹

**England’s centralised state has failed to address regional inequality**

The large economic disparities between England’s regions have no single cause, nor any simple solution. It would be naïve to believe that devolution always produces better outcomes, and there are many economic and distributive functions that are undoubtedly most effectively exercised at a national scale. But it is clear that centralisation over many decades has failed to solve the problem of regional inequality.

Centralisation not only erodes the autonomy of local communities and institutions but also overburdens central government itself, and exposes the limitations of top-down policy making. The UK government tries to do far too much, down to the level of picking individual small-scale local projects worthy of central funding, rather than supporting subnational institutions to take responsibility for solving the problems their places face. This dynamic also contributes to democratic disengagement, particularly in places outside the South East whose residents feel their lives are shaped by decisions being made far away from them.² Government surveys have found some evidence that people in London and the South East are more likely to “agree they can influence decisions affecting their local areas” than those in the north.³

England in particular lacks a strong intermediate tier of democratic institutions between the centre of government and local councils, which mostly operate on too small a scale to address big problems such as creaking transport infrastructure, housing shortages, a lack of skills or poor health outcomes. While the devolution reforms of the late 1990s and early 2000s transformed the governance of Scotland, Wales and Northern Ireland, England remained a centralised state run from Whitehall. Only the capital city saw some degree of devolution – in the form of the mayor of London and London assembly. Elsewhere, a weak form of technocratic decentralisation took place via regional development agencies and government offices, which answered to ministers rather than local communities. This tier of governance was swept away in 2010.

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¹ For example, projects selected for support from the government’s flagship Levelling Up Fund included improvements to recreation grounds in Portrush, Northern Ireland, redevelopment of an arts centre in Pontypridd in Wales, and the creation of a music education centre in Wandsworth, London.
Successive governments have recognised this gap in England’s political system, and reforms over recent years have begun, incrementally, to shift the balance of power away from the centre, in particular via the establishment of the directly elected metro mayors and mayoral combined authorities (MCAs) to which various functions and budgets have been devolved from Whitehall.

Devolution was a core part of the Northern Powerhouse agenda of promoting economic growth and regeneration in the north of England, championed by George Osborne during his period as chancellor from 2010 to 2016. The government explicitly presented this agenda as a mechanism to reduce regional inequality – a previous incarnation of ‘levelling up’ – with Osborne highlighting “the decades-old economic gap between north and south”.

MCAs have been created in nine city-regions since the first devolution deal was announced between Whitehall and the 10 councils of the Greater Manchester region in November 2014. But devolution remains far from complete. Including London, which has had a devolved city governance system since 2000, just 42% of England’s population, across 17% of its land area, lives in areas with some form of devolution. If all the deals proposed in the white paper are concluded, 57% of England’s population will live in areas with devolution.

**Figure 2 Proportion of England covered by current and proposed devolution deals**

Source: Institute for Government analysis of ONS, ‘Population estimates, 2015-20 and forecast figures for 2021’; ONS, ‘Regional gross value added, 2015-19’ (with subsequent years using 2019 data); ONS, ‘Open Geography Portal, standard area measurements (2019) for administrative areas in the UK. All data includes Greater London. We do not class the North East Combined Authority as a devolved area, since no devolution deal has been implemented in that region.
The government wants to extend mayor-led devolution in England

As part of its levelling up agenda, the government has committed to extend devolution to all parts of England that want it by 2030. In particular, ministers want more areas to adopt directly elected mayors to take responsibility for new devolved functions.

The government view is that mayors offer several benefits, including a single point of accountability for devolved budgets, a single person with whom ministers can negotiate, and a guarantee of consistent leadership over their fixed electoral term (usually four years). The high profile of mayors may also enable them to build consensus on local priorities and push through difficult decisions, for instance on infrastructure or planning decisions. Metro mayors also offer a potential solution to the problem of democratic disengagement, especially in regions far from London, by providing voters with a high-profile champion of their interests.

The government’s white paper sets out how it intends to deepen and broaden mayor-led devolution across England.

First, there is a promise to strengthen the powers of existing metro mayors – starting with Andy Burnham in Greater Manchester and Andy Street in West Midlands, with whom the government will negotiate new ‘Trailblazer’ devolution deals. Powers devolved to Greater Manchester have often been offered later to other MCAs, so these deals are likely to pave the way for further deals elsewhere in the country.

Second, there will be a fresh attempt to extend mayoral devolution in the North East, where local rivalries have limited progress towards a comprehensive devolution settlement. The plan is to expand the North of Tyne MCA to encompass three local areas south of the Tyne, including Sunderland, as part of which further powers will be transferred from Whitehall to persuade the reluctant Wearsiders to sign up.

Third, the government has promised that all areas with devolution deals should in principle be able to secure powers “at or approaching” those held by the most devolved parts of England – namely Greater London and Greater Manchester. If implemented, this would see a large further transfer of powers – including over planning, policing, health and employment functions – to mayors in the West Midlands, Liverpool City Region, South and West Yorkshire and elsewhere.

Fourth, there is a commitment to simplify funding arrangements for MCAs, reducing the number of separate funding streams and competitive bidding processes, to give mayors greater autonomy and flexibility to allocate resources in line with local priorities.

Fifth, the government has named 10 areas that will be at the front of the queue for new devolution deals. Many of these are in non-metropolitan areas so these mooted deals are often referred to in short hand as ‘county deals’, although the areas in question cover sizeable urban areas including Nottingham, Derby, Norwich and Hull (see Figure 3). The form these new devolution arrangements will take is to be determined, but the government wants as many as possible to include a mayoral model of leadership.
In a new ‘devolution framework’ published as part of the *Levelling Up* white paper, the government has set out three tiers of potential devolution arrangements: Level 3 deals will require a directly elected mayor (either at combined authority or county council level); Level 2 deals will not require mayors but will only be agreed with single institutions such as non-mayoral combined authorities; Level 1 deals can be based on less formal collaboration between local authorities.

Non-mayoral deals will be less extensive in terms of what powers and functions can be devolved. For instance, only at Level 3 will places be offered the devolution of long-term investment and transport funds, powers over planning, housing and employment programmes, and the possibility of absorbing police and crime commissioner functions.\(^{13}\)

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\(^{13}\) The specific requirement for a Level 3 deal is that it will be agreed with “A single institution or County Council with a directly elected mayor (DEM), across a FEA [functional economic area] or whole county area.”
These are devolved to some or all of the existing MCAs, with the precise devolution package in each area emerging from somewhat opaque negotiations between Whitehall and local leaders.

It is important to note that there are two different forms of mayoral governance being considered. In some places – for instance North Yorkshire, including the City of York, and possibly the East Midlands – new MCAs are expected to be created, with mayors elected across a region covering more than one local authority area. These mayors would have to work with individual council leaders within their region, like the nine metro mayors elected since 2017.

In other places – particularly unitary county areas such as Cornwall and Durham – more likely is that the council switches to a directly elected council leader model, as exists at present (without devolved powers) in some towns and cities. These leaders would take on new strategic and economic functions, transferred as part of devolution deals, as well as retaining responsibility for the standard set of local government services.

The focus of this report is the metro mayor and MCA model, rather than the directly elected council leader model that exists in 16 towns and cities as of 2022.¹⁴ To add to the potential for confusion, many councils across England also have ceremonial ‘lord mayors’; these are firmly outside the scope of our analysis. Nor do we look at the longer-established post of mayor of London, which has a bespoke statutory basis and different powers and governance arrangements.

In response to criticism that the very word ‘mayor’ is something associated with cities and towns, the government has suggested that in county areas different terminology such as ‘governor’, ‘county commissioner’ or ‘elected leader’ can be adopted. But as this is a purely semantic gesture we refer to ‘mayors’ whether or not that ends up being their official title in all cases.¹⁵

Taken as a whole, the government’s commitments are ambitious and would represent a substantial shift in the balance of power towards democratically elected local leaders. We believe such a rebalancing of England’s political system is overdue and would help the government achieve its own levelling up and other strategic objectives.

**Mayoral devolution does not work where local support is weak or the proposed geography is incoherent**

Past experience suggests that heavy handed attempts by Whitehall to push places to accept a mayor can backfire and undermine the government’s own objectives. Where there is weak underlying local council support to move to a mayoral model the outcome can be dysfunctional relationships and poor governance. The government’s commitment to flexibility on governance is therefore sensible – and it should not fall back into old habits of twisting arms at the local level to get mayoral deals over the line.

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¹⁴ As of May 2022, there are 16 local authorities in England led by directly elected mayors. The statutory basis for local authority mayors in England and Wales comes from the Local Government Act 2000. In a referendum in May 2022, Bristol voted to abolish the mayoral position and will no longer have a directly elected mayor once the current mayor’s term ends in 2024.
During the Osborne-led devolution process, many negotiations barely got off the ground due to government inflexibility on the mayoral question. Elsewhere, deals were concluded but failed to gain the requisite council support so fell by the wayside. This was the case, for instance, in East Anglia and Lincolnshire. One local government figure told us that the money on the table for areas concluding deals was simply not enough to make it worth accepting what was seen locally as an unnecessary extra layer of “over the top” bureaucracy. This interviewee’s message to central government at the time was “you’re just messing us about”. In total, of 34 initial expressions of interest in a devolution deal in England that government received by September 2015, just seven were concluded and implemented by the end of 2017, including the non-mayoral deal in Cornwall. Three further mayoral deals have been concluded since then.\(^\text{*}\)

Furthermore, in some, insistence on the mayoral model was a major contributing factor in expected signatories dropping out, leaving a smaller subset of councils to press ahead with devolution. The outcome was that some MCAs exist at a scale that aligns poorly with established economic, social or existing administrative geographies, making it difficult for the metro mayors to establish themselves as the leaders of their places.

For instance, in the West of England only three of the four councils in the former County of Avon ultimately ratified the deal, and as a result the West of England Combined Authority (WECA) is not coterminous with the local enterprise partnership (LEP), at which level much government investment into the region is managed. This has contributed to tensions between the four council leaders in the region and the MCA over who should lead on setting the economic and investment strategy.\(^\text{17}\)

In the North of Tyne, meanwhile, the 2018 deal was eventually concluded with just three of the seven councils covered by the original North East devolution plan. The result is that the North of Tyne Combined Authority (NTCA), led by Jamie Driscoll, covers only part of the geographical extent of the Tyne & Wear Metro system, meaning that core transport powers and funding held by MCAs elsewhere have not been devolved there. Nor is NTCA coterminous with the police area or the LEP. One local interviewee reflected that “the coterminosity problem is extremely acute. We are the most complicated [combined authority].”

Similarly, the Cambridgeshire and Peterborough Combined Authority (CPCA) is the rump of a larger regional devolution deal initially proposed for the whole of East Anglia.\(^\text{18}\) The CPCA area was described to us as making little sense as an economic entity or in terms of local identity. One interviewee told us that there were really three separate and weakly interconnected sub-regional economies – around Cambridge, Peterborough and the rural eastern part of the county respectively – and that this made it difficult to generate a shared sense of endeavour on the MCA. An independent economic review commissioned by the combined authority concluded that “it is not one unified economy but three quite different ones.”\(^\text{19}\)

\(^\text{*}\) New devolution deals were implemented by 2017 in Cambridgeshire and Peterborough, Cornwall, Greater Manchester, Liverpool City Region, Tees Valley, West Midlands and West of England. Cambridgeshire and Peterborough originally submitted an expression of interest as part of a wider East Anglia devolution bid, however this did not progress and was superseded by the Cambridgeshire and Peterborough devolution deal.
The local perception is that the deal was pushed through by ministers keen to ensure that a deal – any deal – was concluded, irrespective of its coherence as a place or the level of local support. Five years on, and after a change of mayor in 2021, it is apparent that the model is still struggling to establish itself, as reflected in a recent whistleblowing complaint regarding the use of a government procurement card and concern over appointments and staff turnover.

The general lesson for government is that – to adapt a phrase – no devolution deal may sometimes be better than a bad deal. When government pushes too hard to get a mayoral deal over the line, the result can be what several interviewees described as a narrowly “transactional” attitude to devolution, in which councils acquiesce reluctantly and solely because of the extra public investment promised for their own local area rather than willingness to operate collectively, led by a mayor, at a larger strategic scale.

The government should therefore tread carefully before pushing mayoral devolution where local commitment to make this work is weak. Devolution is a process not an event, so initial non-mayoral deals can pave the way for more ambitious reforms later. For instance, Cornwall is the only place with which Whitehall previously concluded a non-mayoral devolution deal. This was implemented in 2017, with fewer powers transferred than to the MCAs. Recent reports suggest that after five years of successful joint working between the council, NHS, business and other stakeholders, Cornwall is considering adopting a mayoral model (in the form of a directly elected council leader, rather than head of a combined authority), with a substantial extra package of powers devolved in return.

The initial imposition of metro mayors was not generally popular at local government level, even in the places where MCAs are now broadly seen as success stories, such as Greater Manchester, Liverpool City Region, the West Midlands and Tees Valley. Interviewees in several of these places admitted that the MCA model was accepted primarily because it was clear this was the only way to secure a meaningful devolution deal, rather than because of enthusiasm about the election of a mayor. Crucially, however, the economic and administrative geography of these proposed deals made sense, and there was sufficient willingness locally to work together through the new MCA structures. In some places – notably Greater Manchester – there was also a strong existing tradition of joint working between councils. The more recent deals in South and West Yorkshire also appear to have the necessary foundations of local support and coherent geography on which to build.

There have been public and private tensions between the metro mayor and other local leaders in all these places, but mayors have grown in authority over time and relationships and new collaborative ways of working have become embedded. In most, the debate has moved on to how to take mayoral devolution further, rather than whether it should be pursued at all.
The government has put devolution at the heart of its plan to reduce regional inequality

The government recognises that further devolution will be crucial to its goal of reducing regional inequality across the country in terms of key levelling up metrics such as pay, employment and productivity. In its recent white paper on the topic it notes, drawing on a study of 28 different indicators, that the UK is one of the most inter-regionally unequal countries in the industrialised world. Regions outside London exhibit productivity and household income levels similar to that of Eastern Europe. One recent history of the UK’s political economy characterised its current economic structure as like “Portugal, with Singapore in the bottom corner.”

Most of England’s metropolitan regions are less prosperous than the UK average. A 2020 OECD study found that the UK’s 11 ‘core cities’ are on average 14% less productive than the UK average. Of the eight core cities in England, all except Nottingham are now the main urban centre of an MCA region with a metro mayor. On key indicators such as per capita gross value added, household income and skills, seven of the nine MCA city regions lag significantly behind the UK average.

Figure 4 Comparison of mayoral combined authority areas in terms of key levelling up metrics

Source: Institute for Government analysis of various Office for National Statistics measurements, 2018-21. Values greater than 100% indicate greater than the UK average.

* The full list of indicators used by the government to assess progress in reducing regional inequalities is set out in Department for Levelling Up, Housing and Communities, Levelling up the United Kingdom: Missions and metrics technical annex, CP 604, The Stationery Office, 2022.

** The 11 core UK cities are: Belfast, Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield. Of the English cities, only Nottingham does not have a metro mayor. Nottingham city council and Nottinghamshire County Council are currently negotiating a potential East Midlands deal, which could establish a directly elected mayor.
As well as being one of the most unequal countries, the UK is also more centralised than most of its peers. Another OECD survey, this time from 2017, found that the UK is below the OECD average regarding all dimensions of decentralisation, and particularly so with regard to fiscal decentralisation within England.\textsuperscript{27}

The UK government has drawn a link between England’s geographical inequalities and its centralised political system. The white paper admits that levelling up “will only be successful if local actors are empowered and provided with the funding stability and flexibility to build the institutional capital required for places to develop long-term solutions that work for their communities.”\textsuperscript{28}

Devolution of these functions to a regional level can overcome the silo problem that characterises much policy making at a national level. In many cases, this is more easily achieved by local or regional actors than central government, but only if they are given sufficient autonomy and powers, with appropriate institutional capacity and scrutiny mechanisms to ensure those powers are well used.

\textsuperscript{*} A forthcoming review by the Institute for Government of interventions to reduce regional inequalities, drawing on international case studies and wider evidence, shows that these are most effective when there is coordination across policy areas.
2. The purpose and powers of metro mayors

Since 2014, the government’s preferred vehicle for devolution has been metro mayors, chairing mayoral combined authorities (MCAs). The first metro mayor elections took place in six regions in 2017: Cambridgeshire and Peterborough, Greater Manchester, Liverpool City Region, West Midlands, West of England and Tees Valley. Cornwall agreed a non-mayoral devolution deal with government in 2015.


Metro mayors are designed to deliver both economic and democratic benefits to their regions

The mayors are expected to improve the economic performance of their regions as well as to address democratic disengagement. The government’s long-standing view is that raising the economic performance of the UK’s leading cities outside London is a critical part of solving the country’s long-standing productivity weakness. This approach was reiterated in the 2021 spending review, which noted that: “increasing the productivity of the eight largest city regions outside of London and Edinburgh to match UK average productivity would increase UK GDP in aggregate by around 2%.”

One of the obstacles to this has been the absence of effective regional-level planning. This has prevented cities and their surrounding areas from taking full advantage of their agglomeration effects, for example because poorly designed transport links make it difficult for people to commute to work; the proportion of people who travel to work by public transport in other English cites is significantly below the level of London. A 2014 government paper noted that “some form of region-wide authority is essential for cities... But most UK city-regions continue to face the challenge of coordinating planning, services, and economic development in a fragmented landscape with voluntary partnership arrangements.”

* Greater Manchester Combined Authority was established in 2011 as a non-mayoral combined authority. The region’s metro mayor was then first elected in May 2017.

** The South Yorkshire region was previously referred to as the Sheffield City Region. The MCA re-named itself to South Yorkshire Mayoral Combined Authority (SYMCA) in 2021.
But this “devolution revolution” was presented not only through an economic lens, but also as a democratic agenda. This was emphasised by David Cameron in September 2014, immediately following the outcome of the Scottish independence referendum, when he proclaimed, “we have heard the voice of Scotland – and now the millions of voices of England must also be heard.” Cameron stated that the government would bring forward plans to “empower our great cities”, a process that led to the creation of MCAs.

The government also argued that devolution would help to rebalance the UK’s economy by giving a stronger voice to English regions outside London and the South East, as emphasised by Osborne when he announced the creation of the first MCA in Greater Manchester in 2015. He claimed that the mayor-led model would strengthen the representation of the region on both a national and international level by providing a “single leader who can speak for the whole area.”

Mayors were therefore expected to play an important role in advocating for their regions’ interests, for instance in negotiations with central government during spending reviews. The northern and midland regions where most metro mayors have been established fare comparatively poorly in terms of the allocation of public resources, particularly considering that they are below average in economic output. For example, public spending per head in Scotland is 114% of the average for Great Britain, while Yorkshire and the Humber receives just 95% of the average, despite being notably poorer and therefore arguably in need of additional investment.

Figure 5 Public per-capita spending and household per-capita income by UK region, 2019/20

Devolution deals differ but share a common core of functions

The powers devolved to MCAs are based on devolution deals agreed between ministers and local leaders in each region. The formal transfer of functions is then usually made via secondary legislation passed for each of the combined authorities.

That each MCA owes its existence and powers to a series of statutory instruments means there is no single place where the legal powers of each MCA are set out transparently and consistently. The deals rest in bespoke bits of secondary legislation making them vulnerable to change with little oversight. It also means that the functions of each MCA differ in various ways, not always for any obvious reason.

In most cases, the MCAs share a set of core functions relating to economic development and productivity, which one interviewee referred to as the ‘bronze standard devolution piece’. This core devolution package includes a devolved investment fund to spend on infrastructure and regeneration, responsibility for business support schemes (often working with LEPs), control of the adult education budget, and in some cases a role in other employment and skills programmes.

All the MCAs except the North of Tyne hold a set of transport functions and budgets, including the ability to regulate buses and invest in active travel networks. In five urban regions – those centred on Manchester, Birmingham, Leeds, Sheffield and Liverpool – the MCAs have also taken on the powers of passenger transport executives, giving them responsibility for local public transport services such as light rail, tram and ferry networks.

Most of the MCAs play some role in house-building – seven of nine have access to the Brownfield Housing Fund for regeneration of former industrial areas – and some but not all have statutory planning powers. Liverpool City Region, South Yorkshire and West of England also have call-in powers for planning applications deemed to be of ‘strategic importance’ to their regions. All metro mayors, other than in Cambridgeshire and Peterborough, also have the power to create development corporations in particular areas, as a mechanism for regeneration in post-industrial areas.

Most MCAs have few powers over public services aside from transport. In some cases, we were told, this was due to a deliberate preference to focus devolution on economic growth and job creation. For instance, in the Tees Valley, one senior figure told us that the MCA was focussed narrowly on bringing jobs and investment to the region, and that there was little support for devolution of functions such as policing and health: “we have enough to contend with in trying to get the economy right.” Elsewhere there was appetite for a broader settlement, but interviewees felt that Whitehall was not interested. One senior MCA official complained that the government had refused to devolve any meaningful levers over public service reform, despite initial promises.
Greater Manchester is the main exception to the rule. The GMCA has a wider set of powers than its counterparts, including over the health and social care budget, and aspects of welfare and criminal justice, following a series of subsequent deals following the initial agreement in 2014. Both Greater Manchester and West Yorkshire have powers related to policing too, with the role and responsibilities of the police and crime commissioner merged with the metro mayor role in both regions. The other mayors do not perform this role, in part due to non-alignment between the police force boundaries and the MCA geography, and in part to local political disagreements about whether this role should be taken on by the mayor.

Only limited fiscal devolution has taken place – though all MCAs bar the West of England have the power to introduce a mayoral council tax precept. The MCAs have recently gained expanded borrowing powers too, within limits set by the Treasury.

All the devolution deals also established similar arrangements for scrutiny of MCA functions, involving the establishment of statutory scrutiny committees comprising backbench councillors from the councils represented on the MCA. These committees have powers to “scrutinise decisions the executive is planning to take, those it plans to implement, and those that have already been taken/implemented” and also have the power to require metro mayors to attend scrutiny committee sessions.

**MCAs have some flexibility over spending decisions – but small budgets**

In 2020/21 the total combined expenditure of the eight MCAs then in operation was £3.8bn. The West Yorkshire Combined Authority, the ninth MCA to be formed, had a budget of £570m in its first year of operation in 2021/22. However, in the context of total public spending, these are small sums.

The annual expenditure of MCAs in 2020/21 ranged from £71 per capita in North of Tyne to £369 per person in Liverpool City Region and £707 per person in Greater Manchester. This is significantly less than the per-capita income of any of the constituent local authorities within the MCAs. For example, the expenditure of Manchester City Council was £3,128 per person in 2020/21, some 4.5 times larger than that of the GMCA.

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*A full list of all devolution deals implemented to date can be found at: [www.local.gov.uk/our-support/safer-and-more-sustainable-communities/devolution-hub/devolution-deals](http://www.local.gov.uk/our-support/safer-and-more-sustainable-communities/devolution-hub/devolution-deals)*

**The significantly higher income per person in Greater Manchester reflects the fact that the mayor is also the police, crime and fire commissioner for the region, and it is the only combined authority that is responsible for health and care commissioning.**
MCAs are mainly funded through central government grants. Two of the most important components of central government funding are the annual investment fund payments from the Treasury and the adult education budget. These are written into the devolution deals and therefore represent relatively stable sources of funding. Greater Manchester differs from the other MCAs in this respect as it also receives a large portion of its overall funding from the Home Office to deliver police and fire services. With the exception of Cambridgeshire and Peterborough, North of Tyne, and Tees Valley, the MCAs receive a transport levy from their constituent local authorities, which are used for the operational costs of their transport systems. In most cases, a large share of the levy is used to cover concessionary travel fares.

MCAs also receive a range of other grants to invest in areas such as transport, housing and local growth initiatives. Some of these are provided on a multi-year basis, such as the Transforming Cities Fund, launched in 2017, and has now been rolled into the City Region Sustainable Transport settlements, which will run over a five-year period. From the 2022/23 financial year, MCAs will also be the managing authority in their regions for the UK Shared Prosperity Fund (UKSPF), which will replace EU structural funds. The UKSPF is not subject to competitive bidding and funding allocations have been confirmed until 2025.

As discussed below, a large share of MCA funding is comprised of individual grants, often determined through a competitive bidding process and ringfenced for a specific purpose (for example, the development of housing on brownfield sites).

The promise of long-term flexible investment funding was a critical incentive that persuaded many local authorities to agree a devolution deal with government to form an MCA. The investment funding, which in some devolution deals is referred to as “gainshare”, takes the form of annual payments over 30 years. The funding is intended for projects that raise economic growth and productivity, but in contrast to many other government funding streams, it is not ringfenced.
MCAs have a relatively large amount of flexibility in determining how the funds are spent. The funding is also guaranteed on a long-term basis, subject to five-year “gateway” reviews by the Treasury.

The size of the funds varies from £15m a year for Tees Valley, the smallest MCA by population, to £38m for the West Midlands. The devolution deals commit the Treasury to providing this funding over 30 years, though the fund commitments are not inflation-linked, so the present value of the annual payments will decline significantly over time. However, MCAs are able to borrow against this long-term funding to fund major investment projects. For example, the Tees Valley Combined Authority has borrowed against its annual payments to fund the purchase of the Tees Valley airport and the regeneration of the SSI steelworks.13

As several figures in MCAs have told us, the provision of the investment funds was an important incentive for local authorities to agree to the formation of a combined authority. In some cases, it was the decisive factor that pushed the deal over the line. Investment funds will also be made available to local authorities in county areas that conclude a Level 3 deal with the government.

**Mayors require local partners’ consent for many key decisions**

Metro mayors are not powerful executive leaders with the power to deliver wide-ranging, immediate impact. They are more like first among equals on the combined authorities they chair. This was not by accident. The devolution deals were drafted purposefully to constrain the mayors’ ability to act without agreement of local council leaders. One interviewee who observed devolution negotiations recalled that other local leaders wanted the mayor to be no more than a “benign chair” and wrote the rules of the new MCA accordingly.

Consequently, while mayors hold the “power of the pen” on MCA spending plans and transport budget decisions, and can typically veto proposals made by other MCA members, there is relatively little they can do without building consensus on the combined authority.

The exact rules vary between MCAs, but most decisions that MCAs take require the support of at least a majority of the constituent local authorities (usually including the mayor). Big decisions – for instance on transport strategies, investment plans and budgets – often require a two-thirds majority or sometimes unanimity, as is the case in Tees Valley for a wide set of economic decisions. Somewhat bizarrely, in the West of England Combined Authority, the mayor cannot vote at all on budget decisions, which one interviewee suggested was the result of a drafting error in the legislation that established the MCA. Others thought it was a deliberate move to disempower the mayor by council leaders.

Some decisions always require unanimity. This applies to the approval of spatial plans, reflecting the high sensitivity in local government about planning decisions being made at a regional level over the objections of local communities. Amendments to MCA constitutions, which set out governance arrangements and decision-making rules, also require unanimity.
All but one of the metro mayors have the power to establish mayoral development corporations (MDCs) which can purchase land and lead regeneration. However, this power can be exercised only with the agreement of the local authority in whose territory the MDC will operate. Again, this is a policy area that many in local government regard as a council function. One official told us that the establishment of MDCs was regarded by some in local government “as a land grab taking powers from metropolitan borough level.”

Another insider felt these constitutional constraints mean that “mayors can’t really do their jobs”. The reality is that even when councils acknowledge the additional value provided by metro mayors, they remain wary of the MCA intruding into their areas of competence. One official described the “constant dance” that mayoral teams have to perform to build support for a cross-regional approach and to keep local authorities on board.

The constitutional constraints that metro mayors face undoubtedly limit their ability to act strategically and decisively at a regional scale. However, as we show below, mayors and MCAs have nevertheless been able to add value in many ways – perhaps to the surprise of some of the local leaders who had intended for metro mayors to play a minimal role.

To improve the effectiveness of the metro mayor model, the government should consider the case for a rebalancing of power between mayors and other local leaders on the MCA. However, devolution should not lead to local government being stripped of powers in favour of the MCA against its will.

But where local councils are willing to pool further functions this could be rewarded, for instance with additional flexibilities over spending decisions. Some specific reforms that the government could encourage include allowing the mayor a stronger role over housing and planning, removing the need for unanimity on statutory spatial plans for example, or moving from a two thirds to a simple majority on budgets and investment plans, and ensuring that all mayors have a vote on the MCA budgets.
3. The added value of metro mayors

Despite the constraints they face, metro mayors have brought benefits to their regions and made use of what powers they do hold to positive effect. The MCAs have also facilitated collaboration between local leaders and provided additional policy making and strategic capacity at a regional scale. Further, mayors have used their convening power to build consensus and set the agenda, and undoubtedly strengthened the voice of the regions they represent, both on a public level and in private negotiations with central government.

Metro mayors have begun to lay the foundations for longer-term productivity gains

As discussed above, the decision to establish the MCAs was driven primarily by economic considerations. A 2015 Treasury command paper on raising UK productivity, drawing on OECD research, noted that “cities around the world with fragmented governance structures have up to 6% lower levels of productivity than those that do not”. It argued that the existing governance arrangements in the UK can lead to “fragmented decision making and blurred accountability; even within the same city region, urban and suburban leaders do not always work together on shared objectives”. Studies of successful approaches to raising regional growth show that the biggest effects are achieved where there is a coordinated approach across different policy areas, with “cross cutting policy interventions, agreed and delivered at a regional and local level.” Investing in skills alone, for example, will do little to raise local productivity if there is limited demand for workers with those skills. Many regions of the UK, including some city-regions, appear to be stuck in a “low-skill equilibrium”, where employers have little demand for high-skill, high-productivity workers. The OECD has argued that promoting higher-skilled employment requires “a new response at the local level” involving close cooperation with businesses and a coordinated approach that “breaks down policy silos” and brings together employment services, training policies, economic development organisation and innovation policies. Improved coordination of skills, transport, planning and housing decisions can make it more likely that high-productivity businesses that employ highly skilled workers will invest in the region.

Metro mayors are intended to provide a missing ‘middle tier’ of government to deliver this approach. Their creation reflects the recognition by government that joined-up growth strategies are difficult to achieve either at a local level, due to the small size of council areas and because governance is fragmented, or at a national level, where government departments struggle to coordinate and lack the local knowledge to develop targeted solutions.
This tier of government can also improve the coherence of regional transport systems, helping city-regions to take better advantage of ‘agglomeration effects’. Big cities tend to be more productive because businesses and workers benefit from efficient knowledge sharing, which enables greater specialisation and gives businesses access to a wider pool of workers. But the full benefits of this can only be realised if transport systems facilitate easy movement around the region, in particular between residential and commercial areas.

Devolution to MCAs also creates an opportunity for city-regions to act as ‘policy laboratories’, testing out different policies to establish what combination of interventions can help to raise productivity and employment. To capture the benefits of this policy innovation, better collection of data and investment in evaluation of the impact of different interventions is needed. The government’s plans to collect more finely grained local and regional data, announced in the *Levelling Up* white paper, is a welcome sign of commitment to this agenda.

Raising economic growth rates through institutional change of this kind is a long-term process and it is too early to evaluate the direct impact the mayors have had on productivity and employment. Indeed, in one of the first of the independent evaluations of the investment funds, completed for the Treasury in late 2020, the authors noted that “it is too early to quantify net economic impacts in terms of new/safeguarded jobs and net additional GVA [gross value added] generated.” In recognition of this, the Treasury has allocated investment funds to MCAs over a 30-year period to enable the city-regions to plan infrastructure investments over the long term.

Moreover, in the five years since the first set of metro mayor elections, the UK has experienced two unprecedented economic shocks as a result of its withdrawal from the EU and the coronavirus pandemic. The short time frame and the discontinuities arising from these shocks makes it difficult to isolate the impact of the new governance structures and any decisions taken by metro mayors.

But while the economic impact of MCAs cannot yet be directly measured, there is already evidence that MCAs are starting to add value to their regions where they exist. They have facilitated greater regional cooperation and joint working, and city-regions have also used their devolved powers to vary policy in line with the demands of the local economy. This may lay the foundations for improvements in connectivity and skills, and therefore for increased productivity.
Devolution to MCAs has enabled policy variation in line with local priorities

In the areas where MCAs do enjoy a reasonable degree of devolved autonomy, in particular adult education, transport and infrastructure, they have used their powers to shape a distinctive approach in line with local priorities in ways that nationally delivered programmes are unable to do.

For instance, interviewees working in adult education recalled that when responsibility was held at central government level, funding was not targeted at the specific requirements of different local labour markets. Instead, we were told that government was more concerned with getting “bums on seats” in terms of high enrolment numbers, rather than with improving economic and wellbeing outcomes.

Interviewees in several combined authorities – and metro mayors themselves – are confident that devolution of the adult education budget has enabled them to reallocate funding more flexibly in ways that reflect and respond to the needs of local employers. This was described by one official working on MCA skills policy as: “our greatest strength – being able to understand, relate to and respond quickly to what is happening.” For example, the West Midlands Combined Authority identified and started to respond to a growing shortage of HGV drivers in the latter stages of the pandemic well before national government had become aware of the problem.

In Greater Manchester, meanwhile, we were told that analysis of the local labour market identified a particular challenge faced by people who had been laid off during deindustrialisation in the 1980s, and who had no formal qualifications having started work straight from school. These people were too old to qualify for free training under the previous policy approach, and were left unemployed or in low-paid jobs. The combined authority therefore provided funding for people of any age to complete a level 2 qualification, which was “very important for that cohort of people”. Meanwhile, under former mayor Tim Bowles, the West of England Combined Authority established a free career coaching and advice service targeted at low income, in-work residents.

MCAs also make it easier for regions to ensure that transport spending aligns with regional development and planning initiatives. Greater Manchester and Liverpool City Region are using new powers to introduce bus franchising in their regions, which will give the transport authority more powers to create new routes. One local transport expert described the reregulation of bus services as a “huge opportunity” to develop a properly integrated transport system. Several MCAs have also sought further integration by creating a unified ticketing system across different modes of transport to achieve a ‘London-style’ transport system.

Steve Rotheram in Liverpool City Region has also used some of the combined authority’s discretionary budgets to fund half-price travel on public transport for apprentices. This is an example of a metro mayor joining up skills and transport policy in an innovative way.
In Tees Valley and Greater Manchester, the metro mayors have made use of their powers to establish mayoral development corporations (MDCs), which make it easier for the mayor and local authority to acquire and develop land to drive regeneration in specific local areas. In Tees Valley, the MDC Teesworks was created by Ben Houchen to lead the redevelopment of the SSI steelworks. Jamie Driscoll has expressed an interest in establishing an MDC to regenerate brownfield sites in his region.¹⁰

**MCAs can provide the capacity and framework for local leaders to develop region-wide strategies**

A key function of the MCAs is to provide a formalised structure for local authorities to develop a shared approach to regional development and propose cross-cutting policy solutions that at a central government level would involve several departments. As one official put it, “metro mayors provide a regional way to solve the classic Whitehall silo problem.”

Many of the MCAs have published region-level economic reviews to formulate a shared development strategy for the region. Even in Cambridgeshire and Peterborough, often cited as one of the least geographically coherent combined authorities, we heard that the commissioning of an independent economic review of the region, under former mayor James Palmer, helped to build a sense of collective endeavour among the constituent councils: “it got them to think differently about where they were.”¹¹

As one local government expert noted, combined authorities have greater resources to devote to policy making and strategic planning than many local authorities. MCAs have small staffs, but in the context of tight financial constraints on local authorities they can nevertheless add significantly to the capacity of the constituent local authorities. Combined authorities’ funding from the Department for Levelling Up, Housing and Communities (DLUHC) and the Department for Business, Energy and Industrial Strategy (BEIS) for policy development and office management is ringfenced, while councils’ planning capacity has been eroded by many years of real-terms cuts to local government budgets, with many local authorities cutting policy officers to maintain funding for statutory services such as social care.

As a result, combined authorities are in many cases better placed than constituent local authorities to develop long-term transport and planning strategies. These are often high quality, increasing the likelihood that the region will be successful in bids for competitively allocated central government grants, and strengthening the region’s position in budget negotiations with civil servants in Whitehall. Officials we spoke with felt that one of the reasons that MCAs had received relatively generous transport settlements in the 2021 spending review was the high quality of their applications for funding under the City Region Sustainable Transport settlements.

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¹⁰ For example, in 2019/20, WMCA had 80 people working on policy commissions and six people working in the mayor’s office; the LCRCA had 28 people working on policy planning.
Mayors can use their convening power to facilitate joint working.
The status of metro mayors as prominent, directly elected leaders, with a personal electoral mandate from across a region, gives them an enhanced ability to convene and coordinate that goes beyond that of an individual council leader. One official likened the role of the mayor to a catalyst, able to accelerate activity that would otherwise have moved far more slowly.

Effective mayoral leadership has played an important part in embedding collective ways of working through the combined authority. Many local authorities initially took a “transactional” approach to devolution, agreeing to it primarily because it would unlock additional central government funding. But as the model has become more established, local leaders have come to see the benefits of collective action through the combined authority.

Metro mayors have used their convening power to build coalitions to realise major infrastructure projects on a regional scale. In Tees Valley, for example, the combined authority borrowed against the long-term investment fund to acquire the Tees Valley airport, which was at risk of closure. Acquisition of the airport was a central part of Houchen’s manifesto when he was first elected in 2017. But this manifesto pledge could only be delivered with the support of the constituent local authorities. A review of the investment fund for the Treasury in 2020 concluded that Houchen’s success in securing support from the local authorities members of the combined authority “should not be underestimated – it represents a significant achievement.”

In Liverpool, Steve Rotheram has led delivery of LCR Connect, an initiative to provide ultra-fast broadband to the whole of the Liverpool City Region. Like the Tees Valley airport acquisition, the project was funded from the combined authority’s investment fund provided by the devolution deal. Officials noted that the mayor played a critical role in building agreement between the local authorities for the project.

Mayors can use their soft power to address issues outside their formal remit
Metro mayors have also used their convening power to focus attention and resources on ‘orphan policies’ that have been neglected by central or local government, or require the coordination across a range of public services. In Greater Manchester, for example, Andy Burnham made tackling homelessness a central part of his first-term agenda, although responsibility for homelessness rests primarily at the local council level. In November 2020, councils estimated that rough sleeping in the region has been cut by 57% in three years.

There are numerous other examples of mayors engaging with public policy areas outside their formal brief. In the West Midlands, for instance, Andy Street established a Coalition for Digital Inclusion, which brings together stakeholders across the region to ensure that communities were not left behind due to lack of access to technology and digital skills during the pandemic. Tracy Brabin has taken her role as police crime commissioner further, driving forward plans to ensure that the “safety of women and girls… can filter through everything we do”, linking together policies in housing, transport and skills in West Yorkshire.
The value of the leadership role provided by mayors was also illustrated during the pandemic. With the exception of Burnham in Manchester, the metro mayors do not have any formal powers or responsibilities for public health. One official noted that at the start of the pandemic the mayor’s efforts to respond to assist in the crisis were rebuffed, on the grounds that they were not part of the local resilience forum. But quickly many stakeholders appreciated the added value provided by the mayor in helping to coordinate the local response.

Many metro mayors played an important role during the crisis in convening meetings of local business leaders and clinicians. Combined authorities provided a forum for information sharing, and for coordinating the crisis response in areas such as procurement of PPE. In Greater Manchester, the combined authority created a multi-agency Covid-19 Emergency Committee, chaired by Burnham, which met fortnightly to coordinate the region’s pandemic response.

Several mayors also formed regional recovery taskforces or commissioned new research to identify how economic strategy and government support needed to adapt in response to the pandemic. In Liverpool and South Yorkshire, Covid business support payments were distributed through the combined authority, rather than at a local authority level, as the constituent councils recognised the funds could be better targeted if they were allocated at a regional level.

**Mayors have the stature to raise the profile of their region**

There is widespread agreement among the officials and experts interviewed for this report that mayors have delivered on the promise of strengthening the voice of their region.

Mayors are the figureheads for large geographic regions – the biggest, Greater Manchester and the West Midlands, have populations of almost three million each. Their direct electoral mandate gives them a high profile and ability to advocate for their regions in public debate and private negotiations. The media will typically give extensive coverage to their response to government policy initiatives affecting their region. One notable example of this during the mayors’ first term in office came in October 2020 when Andy Burnham publicly challenged the level of government financial support available to regions, including his own, placed into ‘tier 3’ lockdown during the second wave of the pandemic.

Mayors have worked together to lobby government and shape the media narrative around particular policy issues. As a result, ministers are aware that any policy decision that appears to disadvantage one or more mayoral areas is likely to attract significant negative press coverage. For example, press reporting of the February 2022 Integrated Rail Plan announcement was dominated by the joint response of the five northern Labour mayors, and their criticism of the decision to abandon the eastern leg of the High Speed 2 railway, which was due to run from the Midlands to Leeds. The mayors also work closely together through the M10, a grouping that brings together all the metro mayors and the mayor of London, with some support from DLUHC. This provides an influential forum to lobby government on areas of shared concern. One political
advisor noted that the approach of the mayors within the M10 was collegiate and constructive, regardless of party political affiliation.

The mayors’ profile also means they are better placed than local authority councillors to lobby government departments. One member of a combined authority transport committee, referring to a forthcoming meeting between the mayor and a secretary of state, observed that there was “no way that I as a councillor could have got that bilateral audience.” Jamie Driscoll has noted that he is able to text ministers directly to quickly raise issues of concern, something most local authority leaders are not in a position to do.24

Ministers and civil servants favour the mayoral model because they see it as providing a single accountable official with whom they can negotiate on regional policy issues, in the knowledge that the mayor will remain in office for at least their fixed terms (usually of four years). As Driscoll has noted, metro mayors provide the answer to the “Kissinger question”, asking who government should call in a region with multiple competing leaders with different agendas.25

As one interviewee noted, civil servants have learnt that if they want to engage the West Midlands on a particular issue, the first thing to do is call Andy Street and his team: “That [change] has happened over a reasonably short space of time. It is a powerful thing.” Another policy advisor in Greater Manchester observed that “there is a clear view from ministers that they think about things in terms of a single leader.” One Whitehall figure conceded that “it is easier to cut a deal with a single mayor than 10 districts”.

The level of access enjoyed by mayors has also been noted by local leaders in areas without a devolution deal. In interviews, local councillors from non-MCA areas regularly expressed the view that metro mayors are able to leverage their access to Westminster to win greater public funding for their regions. Local authorities without a directly elected mayor fear they will struggle to get a hearing with central government, particularly as the model is rolled out to county areas. As one local councillor put it to us: “They are at the front of the queue, there’s no doubt about it.”

Other interviewees noted that the business sector also welcomed the fact that they had a single point of contact and voice for the region. Several mayors, such as Andy Street, have seen engagement with business as a key part of their role. During the pandemic, Street chaired a weekly economic impact group with a wide range of business leaders across the region, which acted as a “weekly temperature check” of their concerns and emerging issues. The model also provides a single point of contact for foreign investors when promoting the region abroad. Speaking at an Institute for Government event in March 2022, Liverpool metro mayor Steve Rotheram noted that the concept of a directly elected mayor is well-understood internationally, so foreign companies know who they need to approach if they wish to discuss an investment project with local leaders.26
However, there is no formalised process for mayors to engage with government. This means that the level of access they have is at the discretion of government ministers, which could allow ministers to play favourites, for instance on party political grounds. One local government interviewee told us that Andy Street and Ben Houchen, both Conservative mayors, had a “hotline to government” to which others did not have access. Some Labour mayors, by contrast, have at times come into public conflict with the government. For instance, the prime minister has openly criticised Andy Burnham in parliament for his role in the Manchester Clean Air Zone proposals, claiming the plan was “completely unworkable and will do more damage to businesses and residents in Manchester”. Johnson promised to develop an alternative to the locally designed plan.  

The reality of the current devolution model is that the effectiveness of metro mayors rests to an extent on their access to, and ability to negotiate with, ministers in Westminster. Should the UK government choose to close down that access or to bypass mayors in favour of other local actors, then that could substantially undermine the mayoral system. Despite occasional tensions, however, that breakdown in relations has not happened and the UK government appears committed to making a success of the metro mayor model, even though seven of nine of the current cohort are from the Labour Party.

**The success of the model depends heavily on the leadership qualities of the mayor**

Mayors can only act with the support of constituent local authorities, and thus the effectiveness of the MCA relies heavily on the leadership style of the mayor. Metro mayors have to set out a clear vision for their place and show determination to make progress toward that vision. They also have to be able to negotiate on behalf of their place with central government and private investors.

But the constrained nature of their powers means they must also be flexible and open to compromise, rather than attempting to push through projects that lack wider support. As one local authority expert noted, “You live and die by the quality of the politicians you get in these mayoral campaigns.” A recent mayoral candidate similar commented: “This is a job where character really matters – far more than most political roles.”

Many of the mayors have to work across party lines. Following the May 2022 elections, six of the nine metro mayors are in “co-habitation” with at least one council leader of a different party. To prevent party divisions from disrupting the work of the authority, the mayor has to ensure that all local areas within the region see the benefits of devolution. Andy Street, a Conservative, noted at an Institute for Government in November 2021 that “the role of the mayor is not just to serve the blue [Conservative] councils, it’s to bring everyone together.” When initiatives require the support of all constituent members, party political differences can frustrate progress. This was the case with the Greater Manchester Spatial Framework, which was blocked after Stockport Council voted the proposal down.

Even when all the leaders of the constituent authorities are from the same party, the mayor’s ability to broker consensus is still important. One senior official in a combined
authority took the view that the personality of the mayor was more important than political affiliation in determining whether agreement could be reached.

Metro mayors also play an important role in creating a sense of shared endeavour among local leaders. This has been more challenging in areas where the geography of MCAs does not coincide with patterns of economic activity or local civic identity. In such areas, as we noted above, devolution has often been approached in transactional terms, with local councils participating principally to secure investment for their own specific area, rather than to build coordinated regional strategies. As one council leader put it, “the whole point of the organisation is trying to think about what we can achieve which we could not achieve without it.”

Reaching this point can require sustained investment on the part of the mayor and other leaders to build relationships and embed cooperative ways of working in the MCA. For instance, Dan Jarvis spent much of his first two years as mayor of South Yorkshire persuading the four council leaders in the region to agree to ratify the deal, ensuring that devolution could get under way.\(^{30}\)

The authority of mayors has taken time to become established. In several MCAs, we were told, some council leaders resented the creation of the metro mayor either because they perceived the new post as intruding on their turf, or because they had aspired to the role themselves. So metro mayors have had to manage some tricky relationships, putting their interpersonal skills and emotional intelligence to the test. Interviewees pointed out that turnover of council leaders on the MCA has helped: newly elected leaders had joined an institution where mayoral leadership was established as the norm. This had helped to build the authority of the metro mayor as “captain of the team”. Metro mayors themselves have also taken time to adapt to the reality of their role. One local figure felt that their metro mayor had come to office expecting to be a powerful executive mayor, before realising that the MCA model required a different style of leadership.

In this context, metro mayors must think carefully about the issues they choose to prioritise. For instance, they are likely to run into problems if they push projects that run against the grain of existing strategies and plans. According to one local government employee, this was the case for the former Cambridgeshire and Peterborough mayor’s proposals for an autonomous metro system to run under the city of Cambridge. They also run the risk of raising unrealistic expectations among voters if they make promises they cannot keep. Indeed, the National Audit Office has noted that many of the candidates in the 2017 mayoral elections campaigned on manifestos they did not have the powers to implement.\(^{31}\)

That said, metro mayors can play an important role in putting issues and projects onto the agenda even where the necessary powers or resources are not devolved at present. Their role is then to build a local coalition of support and to secure the necessary backing from central government. This can be the case for big transformational infrastructure projects such as the proposed River Mersey Tidal Power scheme, or for environmental goals such as Burnham’s plan to make Greater Manchester a net zero region by 2038.
4. Closing the democratic deficit

In 2021, the government’s *Evaluation of Devolved Institutions* research paper identified “enhanced public engagement and accountability: the promotion of engagement and participation as part of a healthy democracy, and being closer to the decision makers” as one of three driving forces behind its devolution agenda.¹ The opportunity to enhance democratic engagement has been noted by metro mayors themselves, with Andy Burnham framing English devolution as a mechanism for “civic and democratic renewal”.²

In practice, devolution deals have been concluded between Whitehall and local leaders with little public engagement.³ This created a risk that mayors and MCAs would struggle to establish their legitimacy in the eyes of voters.⁴ The story since their establishment, however, is broadly positive. The mayors have grown in stature and most are now seen as valued champions of their regions. But public understanding of and engagement with the new devolved institutions are still comparatively low, and mayors should do more to narrow this democratic deficit.

**From a cold start, voters appear to be warming to the metro mayor model**

Electoral turnout and polling data suggest that metro mayors have succeeded in establishing themselves as recognised leaders of their regions. *Evaluation of Devolved Institutions* found that 72% of survey respondents in MCA areas were aware of who their metro mayor was.⁵ Additionally, according to polling by Savanta ComRes on behalf of the think tank Centre for Cities, 83% of people living in MCA areas which held mayoral elections in 2021 supported further devolution.⁶

One small indicator of voters having been – on balance – positively impressed by the performance of mayors is that all five metro mayors that stood as incumbents for re-election in 2021 won more first-preference votes than in 2017. In the case of Steve Rotheram in the Liverpool City Region, his vote share dropped slightly (from 59.3% in 2017 to 58.3% in 2021), but he too won a larger number of votes as turnout rose by 3.6 percentage points.
These data suggest that metro mayors are starting to become better established and their democratic roots and legitimacy more firmly engrained in the English political landscape. As the academic Dr Arianna Giovannini has summed up, “metro mayors are maturing as institutions and they have started to take root in the public imagination”.7

Opinion polling suggests that the pandemic boosted public perception of metro mayors. An Ipsos MORI survey from 2020 found that while public perception of the impact mayors have was overall broadly favourable, the most positive response reported was that 60% of respondents thought that mayors had a positive impact on “looking out for their city or regions’ best interests during the coronavirus pandemic“. This figure was the highest positive response in the survey compared to other ways mayors have impact, with 47% viewing metro mayors as having had a positive impact on “working with the national government in Westminster to deliver services and funds that benefit their city or region” and 56% thinking they had a positive impact in promoting their city-regions, for example.8

Moreover, in the six places where second metro mayor elections took place in 2021, turnout increased at every election. Average turnout at the six metro mayor elections in 2017 was 27.7%. This rose to 33.1% in the same six places in 2021. The highest turnout at a metro mayor election so far was 36.4% in Cambridgeshire and Peterborough in 2021.
Figure 8 Voter turnout in metro mayor elections from 2017 onwards

Source: Institute for Government analysis of BBC England Local Elections, 2017-2022, and House of Commons Library, ‘Combined authority mayoral elections in May 2021’. Note: Blue circles indicate the first election in an MCA and pink circles indicate second elections in MCA regions which have so far held two mayoral elections.

However while turnout has risen, it is still lower than for devolved elections in Scotland, Wales and London, suggesting that many voters are yet to be fully convinced of the importance of these elections.

The decision in May 2022 by citizens of Bristol to scrap the city council mayor model may also be a sign that voters are not fully persuaded that directly elected leaders necessarily deliver benefits for the areas they represent (although in other recent local referendums, including in Croydon and Newham in 2021, residents backed the mayoral model). In addition it should be stressed that these votes were on the council leader mayoral model, rather than the metro mayor model that is the focus of this paper, so it is difficult to make a direct read-across.

**Mayors must do more to engage voters and improve public understanding of their role and responsibilities**

What does seem clear is that despite their increased profile during the pandemic, the MCA model is not well understood by the public, raising a risk of a mismatch between expectations and reality. Evaluation of Devolved Institutions itself noted that only 46% of respondents to a public survey across devolved authorities were aware of the term ‘combined authority’, for example. The lack of understanding of the model is in part due to the lack of real engagement with the public during the devolution deal-making process and has negative implications for the role mayors can play in improving the democratic deficit.

While designed to fill a gap between central and local government, the addition of metro mayors as a new regional tier of government can lead to confusion over the division of powers and accountability on specific policy areas, with the public pressing mayors on issues over which they have no formal power. Andy Burnham noted in an Institute for Government event in March 2021 that as mayor: “you almost become responsible for things you’re not responsible for... When anything goes wrong in GM now, people will hit my Twitter timeline and blame me for it”.10
Despite the mayoral model being not well understood, there are concrete actions mayors can and should take to address this, through proactively engaging voters and demonstrating how they can help address the problems faced by regions. Burnham, for example, holds a Mayor’s Question Time broadcast live from different venues across Greater Manchester the evening before every GMCA board meeting. Oliver Coppard, South Yorkshire’s new metro mayor, as part of his pledge to be “the most transparent and accountable mayor in the country”, has promised to hold quarterly Mayor’s Question Time sessions across the region and to oversee a new youth political engagement programme.

Such actions are important. As Steve Rotheram highlighted at an Institute for Government event in March 2022, the public “wants to see the results of a metro mayor and a devolution deal in their lives and that’s going to take several years... people want to see change”. Rotheram also highlighted the need for metro mayors to work together to communicate to the public the benefits of devolution and improve understanding of the metro mayor model.

Overall, we find some evidence that metro mayors have narrowed the democratic deficit in England’s regions. But they have further to go to fully establish themselves as recognised leaders of their places, and to inform voters about the purpose of devolution and who is responsible for what. We therefore recommend that the metro mayors set out clear strategies for public engagement, including measurable targets relating to public understanding of and support for devolution.

The government’s reform of the electoral system reform could affect mayors’ authority as leaders of their whole regions

Since their creation, metro mayor elections have used the supplementary vote (SV) voting system, also used to elect the mayor of London, local authority mayors and police and crime commissioners. This system allows voters to choose a first- and second-preference candidate. If a candidate wins 50% of the first-preference votes, they are automatically elected. If no candidate does so, then the top two continue to a second round. The second-preference votes of all eliminated candidates are then reallocated to determine the winner. However, government legislation passed in 2022 has changed the electoral system to first-past-the-post (FPTP), so in future elections there will be a single round of voting and the most popular candidate will win at that stage.

The government argues that FPTP is necessary to bring mayoral elections into line with the electoral system for UK parliamentary elections, with Luke Hall, former minister for local government, describing the use of SV as an “anomaly”. The government believes FPTP allows voters to express a clearer choice and is easier for voters to understand. However, the risk that the government should be aware of is that this change could weaken the ability of mayors to appeal to all parts of their region and to work effectively across party lines.
The SV system requires candidates to appeal – whether implicitly or explicitly – to supporters of other parties for their second preference votes, and therefore makes it more likely that the elected mayor and their manifesto will have broad support. Under FPTP, by contrast, especially in contests that attract many smaller party and independent candidates, the successful candidate could win with substantially less than half the vote, leaving them less able to build local coalitions in support of their plans. As Professor Patrick Dunleavy stated, the change “could dramatically lower the cross-party legitimacy of elected mayors, which has been key to their success in framing broadly supported policies for their cities.”

As discussed above, metro mayors require the support of other local leaders – often from other parties – to make progress with their policy agenda.

Changing the electoral system is in line with the government’s 2019 manifesto so it can justifiably point to its electoral mandate in defence of this change. However, ministers could well find that the reform undermines its own objectives for metro mayors to provide strong local leadership and to help government achieve its own levelling up and other objectives.

We recommend that the government should keep under review the impact of this change of electoral system, and that it should consider reverting to SV for metro mayor elections, given the specific requirements for metro mayors to lead by collaboration, even if FPTP is retained for other directly elected positions such as police and crime commissioners.
5. Deepening devolution

Metro mayors have control of useful functions and budgets. But the devolution deals have transferred these in a piecemeal fashion, rather than granting mayors a wider sphere of policy autonomy, as in Scotland and Wales. The government’s commitment to “deepen devolution” to existing MCAs, starting with new Trailblazer deals with Greater Manchester and West Midlands, offers an opportunity to create a more coherent settlement in these places.

Mayors’ powers are disjointed – this impedes accountability and effective policy intervention

The metro mayors we spoke to and many other interviewees across the country tell a consistent story about how the current devolution deals work in practice. Devolution has transferred from central government some genuinely useful powers – particularly over adult education, transport and infrastructure – that leaders have been able to use creatively to start to address problems of low productivity, skills and life chances in their areas. But they do not hold overall responsibility for broad policy or spending functions. Instead, they typically hold a disparate array of separate levers and funding streams that are difficult to pull together into joined-up strategies. In many respects, as one interviewee put it, this is “more like delegation rather than devolution”.

Skills policy is a good example. Devolution of funding for adult education was seen to have delivered positive results, but many other elements of the skills and employment system are still nationally controlled, making it difficult to create an integrated system to support people back into work or into higher-skilled occupations. As Andy Street told the Institute for Government: “We have devolution of the adult education budget and have used it well… but we do not have full responsibility”. He noted that government was committed to spending more on skills, but that this was “done in quite a fragmented way” with separate budgets for different interventions such as the careers service, lifetime skills and technical education. Other interviewees highlighted that the MCAs had responsibility only for funding courses for those over the age of 18, and argued that this made it hard to provide a seamless skills offer that integrated vocational training for the 16-18 age group with courses for older learners. One policy official reflected on the overall skills system that “at a national level, it is currently very siloed” and felt that devolution offered the best route to developing a more integrated system.

Transport is another example. Again there is a complicated split between devolved, national and indeed local transport powers, making it difficult for mayors to take a strategic or long-term approach. Speaking at a virtual Institute for Government event in 2021, Andy Burnham, noted that: “I’m only responsible for a really small part of the system.” Policy officials we interviewed echoed this point. One told us that while...
MCA control of buses and trams was valuable, “one of the main gaps which we would like to fill is on rail. It’s important for us to get that missing jigsaw piece so we can join up.” The aspiration in the city-regions around Manchester, Liverpool and Leeds is for an integrated transport and ticketing system, as in London, but current arrangements make this difficult to enact. We also heard that devolution of the roads was an area of confusion – with responsibility split between the different levels of government.

Net zero is a third, more recent example. Mayors have begun to play a positive role but are again constrained by the disjointed nature of devolved powers. Several have set their own ambitious target dates – ahead of the nationwide 2050 deadline – for their city-regions to reach net zero: 2038 and 2041 for Greater Manchester and West Midlands, respectively. But many of the powers needed to do this are not devolved. Tracy Brabin, Mayor of West Yorkshire, made this point to the Institute for Government, saying, “what is really concerning me, and that I think we could have more power over is, when it comes to tackling climate change.”

One interviewee in another city-region explained that their MCA had big ambitions to lead on retrofitting of houses, but had no long-term funding streams to achieve this and had to rely on shorter-term project funding from Whitehall. Another advocated energy devolution, including finance and freedom to develop electric vehicle infrastructure: “It links with transport, skills, housing. There is an obvious regional footprint to it.” Because responsibility was split across different government departments, we were told, “it’s just catastrophically impossible to get any joining together”, and as a result the development of this important green infrastructure was proceeding slower than necessary.

We heard many similar stories across these and other policy domains. What seems clear is that the current arrangements undermine the ability of metro mayors to develop joined-up regional strategies – which is one of the core benefits that proper devolution to this level can bring. In addition, fragmented responsibility does not make for clear accountability for economic, social and environmental outcomes at the regional level.

We therefore conclude that the next phase of devolution should be guided by the principle of ‘filling in the gaps’ of the existing devolution settlements, especially in the Trailblazer devolution deals being negotiated with Greater Manchester and West Midlands.

As discussed, skills, transport and (green) infrastructure are good places to start, but the same principle could be applied in other policy domains as well. The objective should be that metro mayors are granted a more coherent sphere of policy autonomy, for which they can meaningfully be held to account.
The government should set out a clear process for metro mayors to secure additional powers, where there is local agreement

As part of its commitment to “full devolution” across England, the government has promised that any part of the country can – in principle – acquire devolved powers “at or approaching” the level of those held by the most devolved areas. This is an important pledge that could help to bring greater consistency and transparency to the incomplete patchwork of devolution deals.

As discussed, the powers of metro mayors vary greatly. To some extent this reflects differences in local appetites for devolution, but this is not the case across the board. The messiness of the current arrangements also reflects the government’s approach to devolution, which is characterised by a lack of transparency and in which ministers have separately negotiated the terms of each deal.

The government’s Levelling Up white paper includes a welcome promise to bring greater consistency to this process but it has yet to explain how it intends to make good on this offer. We recommend that the government should establish a right for an MCA to request any power that has been devolved elsewhere in England, possibly via legislation. Such requests should be made public and subject to local consultation.

The government should also commit to respond publicly to any such request and – if it says no – to specify the conditions that would have to be met for the power to be devolved in future. These conditions could relate to local institutional capacity, the business case for how devolution would improve outcomes, the degree of local support, or the need for coterminosity with other public bodies such as LEPs and police areas. If a power has already been devolved to any given MCA, the burden of proof should lie with the government to justify why it cannot be devolved to other places that want the same power.

A further problem is simply that it is often not entirely clear which powers have been devolved to which places. The devolution deals have been given effect through a long sequence of little-read statutory instruments and MCA constitutions. There is no single reference point setting out which powers have been devolved to where, let alone why. Academic analyses and the work of the House of Commons Library has sought to fill this gap, but an official record of the current state of devolution is sorely needed.

The present complexity impedes understanding among councillors, the media and the general public of which powers are held at MCA level, making it more difficult to hold mayors to account for their performance. In interviews we heard that even senior MCA officials are not always aware of how their local devolution deals compare to those in other parts of England, and have had to carry out their own analysis to work out what else they could bid for.

We therefore recommend that the government should conduct a full devolution audit, clarifying which powers are devolved to where – and the criteria governing whether other places can secure similar.
This would also make it easier for areas that are considering negotiating for new or deeper devolution deals with the government to understand what powers and functions have already been devolved to other areas, and the conditions that have to be met to secure a similar level of devolution.

The government should publish the findings of this analysis in its annual report on devolution published as a requirement of the Cities and Local Government Devolution Act 2016. This report should also detail the state of negotiations over further devolution deals, including details on which powers different places have requested, and what the government response has been.
6. Simplifying funding

The creation of a new tier of government at the city-regional level has not been accompanied by significant fiscal decentralisation. Metro mayors are highly dependent on central government funding and raise little or no revenue locally. Moreover, a large share of this funding takes the form of fragmented and tightly ringfenced grants, which give MCAs little room for manoeuvre. The government’s Levelling Up white paper has acknowledged the need for a simpler, more flexible funding model.

**MCAs are funded primarily by central government grants**

Central government grants account for an average of 78% of the MCAs’ total income, with much of the rest accounted for by a transport levy paid by local authorities, used to cover some of the operational costs of the regional transport system. Greater Manchester additionally receives a levy from constituent authorities to pay for the processing and disposal of household waste. Aside from these levies, only a small share of MCA income is raised locally. Currently, only Greater Manchester and Liverpool City Region apply a mayoral precept, which is added to local residents’ council tax. Some combined authorities also receive a share of business rates in exchange for foregoing some central government grants.

The Cambridgeshire and Peterborough, North of Tyne, Tees Valley, and West Yorkshire combined authorities raise no income directly through local taxation, except for a small police precept in West Yorkshire. The West Midlands, Liverpool City Region and South Yorkshire MCAs receive less than 3% of their income locally. Greater Manchester raises 16% of its income locally, around half of which is ear-marked for police and fire services. The West of England, which has the second-smallest budget of all the MCAs, receives 20% of its income from retained business rates.

**Figure 9** Mayoral combined authority income by source, 2020/21

Source: Institute for Government analysis of mayoral combined authority financial statements. Note: Data for West Yorkshire is taken from the 2021/22 budget.
It is difficult to build up a comprehensive picture of the sources of central government funding for MCAs. There is no central repository for this data, and each MCA breaks down the structure of its funding in different ways, with variable levels of detail.

As part of its efforts to improve the quality of its regional and local data, the government should work with the MCAs to create a consistent approach for reporting MCA income and spending. This would enhance accountability and make it easier for MCAs to compare their funding settlements with those offered to other regions.

A large share of central government funding for MCAs takes the form of one-off grants designed by government to achieve a specific outcome. For example, as part of its devolution deal, the Cambridgeshire and Peterborough Combined Authority received funds for the construction of 2,000 affordable houses. Awards to MCAs from the Active Travel Fund, a scheme to boost walking and cycling, are made on the basis of fine-grained bids that detail the number of cycle racks to be built in individual council areas. In these cases, the funding model is closer to delegation than devolution.

For many funding schemes, MCAs have to account in detail to central government for their spending, and even small-scale procurement can require Treasury approval. One official cited the example of the WMCA acquiring 124 hydrogen-powered buses, which required sign-off from central government: “In what other country do they celebrate the fact that the chancellor signs off this decision?”

Tightly ringfenced funding makes it harder for mayors to develop a coherent strategy that joins up initiatives in different policy areas. As one former policy advisor at a combined authority noted, “we have no ability to move funding between those schemes, and within those pots”. The fragmented nature of that funding replicates the siloed approach to policy making at the national level. This constrains MCAs from delivering one of the main potential gains from devolution, which is to deliver a coordinated, localised approach to public policy problems, combining a range of functions split between government departments at a national level.

At an Institute for Government event in May 2022, the mayor of North Tyne, Jamie Driscoll, highlighted the example of the government’s Brownfield Housing Fund, from which the NTCA was awarded £24m in 2020 to develop new housing in former industrial areas. Because the conditions attached to the funding are so tightly drawn, it was difficult for the MCA to advance broader but related policy objectives, such as expanding the local supply chains or improving the local skills base to increase the capacity to retrofitting the existing housing stock to improve energy efficiency. In evidence to a parliamentary committee in November 2020, he noted that: “Because devolution is so dependent on working with the centre, we do not actually have devolution. We have decentralisation or elements of it. I would say that is the No. 1 barrier to getting things done.”

Speaking at the Institute for Government in October 2021, Andy Street likewise highlighted the funding model as a serious limitation of the current “immature” model of devolution. He noted that he and the WMCA held the important “power to initiate
and decide what gets put forward”, but that “government do sign off the huge majority of this investment”. In his view, full devolution would involve central government agreeing to “hand over a single pot of cash to the combined authority then to decide what to do.”

Interviewees also criticised in particular the fragmented funding around decarbonisation initiatives, where many of the metro mayors want to play a bigger role in leading the transition to a net zero economy. One official told us that the metro mayor in their region had “big ambitions on retrofitting but no funding stream associated with it.” Instead there was a reliance on short-term funding for specific projects which made it difficult to plan a long-term strategy in this space. Whitehall departmental silos also made it time-consuming and complicated to secure the necessary authorisation to move money from one capital spending pot to another.

This complexity also strains MCAs resources. As with local authorities, MCA funding is a patchwork of grants from different government departments, each of which carry separate reporting requirements. One senior official in a combined authority told us that a recent inventory prepared for the Treasury showed grants from over 200, often small, funding streams.

Combined authorities will typically have to prepare a business case for each grant, which in some cases may be allocated on a competitive basis. One MCA policy official complained that for transport funding, even where there were big promises of ongoing investment, “you have to submit the business case to unlock each next year’s funding.” This imposes heavy demands on combined authorities’ internal resources, which have to submit a business case and then account for every pot of funding, each of which has specific reporting requirements. Another said that simplifying funding “would free up officer capacity who spend time generating reports and turning that wheel”. Yet another told us it was “hard to point to an area where we could say this is what we could design if we could design what we actually wanted”.

The devolution expert Mark Sandford has argued that the MCA funding model means they behave more like “grant coalitions” of local authorities rather than an autonomous body, which design programmes of work and spending plans on the basis of what is most likely to attract central government support rather than what would deliver the best results for their place. One senior official in a combined authority characterised a large portion of their policy planning as “retrofitting things from government and trying to pull them together to deliver our strategies.” For Sandford, the extent of dependence on central government funding means their status even as a tier of government is questionable. In his view, “they resemble more closely a series of convenient local contract delivery partners.”
MCAs have flexibility over a few key budgets – there is scope to build upon this model

However, even within the tight constraints imposed by the funding model, MCAs can provide the coordination and policy capacity to combine disparate government grants into creative regional initiatives. One former combined authority official noted that the investment fund was “one of the most powerful resources” the MCAs have, which gives them an opportunity “to provide the glue to join together disparate funding streams.” For example, if only part of a grant application to central government was approved, the investment fund could be used to make up the shortfall. The City and Learning Quarter in Wolverhampton, funded by jointly by WMCA and the Black Country Local Enterprise Partnership, was cited as one example of this approach.

In some cases, central government has also given greater spending flexibility to MCAs within specific investment programmes. For example, the Transforming Cities Fund (TCF) initiative, which was launched in November 2017, gave combined authorities a relatively high level of flexibility to devise an investment programme to boost public transport and intra-city connectivity in line with their specific needs. The Department for Transport noted that there was a “strong ministerial preference for the Department to take a ‘hands off’ approach to TCF in these city regions.” In contrast to city-regions without a devolution deal, MCAs also did not have to participate in a competitive bidding process to receive these funds, which were instead allocated on a per capita basis.

However, interviewees noted that the City Regional Sustainable Transport settlements, the successor to the TCF, appears to mark a backwards step in terms of flexibility, with more stringent reporting requirements for funding to be released. Another highlighted the “absolute atomisation” of the Levelling Up Fund and Community Renewal Fund as evidence that the government had made the funding landscape for MCAs more rather than less fragmented in recent years. Such developments have left many at the devolved and local levels sceptical about the government’s commitment to simplify funding.

The government should meet its commitment to simplifying devolved funding

The government is still in the process of consulting on how it might simplify central government funding, with further plans to be published later in 2022. It has said that it will also seek to reduce the requirements on local and regional government to access competitive funding. From the perspective of one senior MCA official, “white paper noises about simplifying funding streams is potentially the biggest win in this process”.

As part of its efforts to simplify the funding system for MCAs, the government should seek to emulate the model used for the MCA investment funds. As discussed above, the MCA investment fund is tied to a set of broad economic outcomes but sets few conditions on how the funds are spent to achieve this. Funding is guaranteed on a long-term basis and can be used for both capital and revenue/operational spending. Renewal of the funding is subject to five-year gateway reviews by an independent panel. In addition to the five-year reviews, the Treasury and levelling up department exercise scrutiny from the centre by approving the MCAs' evaluation plans. In this funding model, central government is not responsible for monitoring every outcome.
Instead, Whitehall accounting officers focus on ensuring that robust systems are in place so that funding is used appropriately and secures value for money.\textsuperscript{12}

The government should establish long-term funding settlements for other policy functions on a similar basis, with MCAs resourced by the Treasury to deliver specified economic, social and environmental outcomes and then provided flexibility to allocate budgets to reach the agreed targets.

In line with our recommendation above on ‘filling the gaps’ of the devolution deals, we believe there is particular scope to apply this model in the areas of skills and net zero policy. First, MCAs could be provided with a flexible Skills and Employment Fund, with funding guaranteed over a long period as is the case for the 30-year investment funds, subject to meeting appropriate milestone targets, for instance relating to getting people back into work or into higher-skilled professions.

Second, the government could likewise provide metro mayors with a flexible Net Zero Fund, which they could invest in housing, transport or energy infrastructure, subject to that investment delivering agreed carbon emission reduction targets.

Potentially, in areas such as Greater Manchester where metro mayors hold or acquire a wider set of social policy levers, they could also be given access to a flexible Life Chances Fund, to be used to narrow disparities in education and health outcomes within their regions.

The government should also ensure that the existing investment fund, and any new long-term funds created, are inflation-linked – which is not currently the case. This would give MCAs greater certainty regarding their long-term financial position, and to prevent the value of the investment funds from being eroded by the current high level of inflation.

**Government could consider measures to enable MCAs to retain more of the income they generate**

As noted, MCAs currently raise a very small share of their income from local taxation, including council tax precepts and a share of business rates. But several metro mayors and ministers have expressed an interest in further fiscal devolution. For instance, Ben Houchen has called for mayors to be given more powers to adjust business rates,\textsuperscript{13} and Michael Gove, the levelling up secretary, has expressed his support for the idea.\textsuperscript{14}

However, the *Levelling Up* white paper made no reference to potential fiscal devolution. Giving evidence to a parliamentary select committee in February 2022, Neil O’Brien, the levelling up minister, said that fiscal devolution “is a big piece of unfinished business for us and one that a number of places are thinking through.”\textsuperscript{15} He also noted that the government was anxious to conduct this a way that is “locally accountable” and does not have any “wider negative externalities”. O’Brien argued that if there is significant variation in taxation rates across small economic geographies, “there would be avoidance and gaming issues” and that this could expose regions with devolution deals to a lot of fiscal risk.\textsuperscript{16}
However, O’Brien indicated that greater flexibility over the operation of the business rates system would form part of the discussions for Greater Manchester and the West Midlands MCAs’ Trailblazer deals.

The current centralised funding model reduces the incentives for MCAs (and their constituent councils) to pursue policies to maximise regional growth – one of the central rationales for the creation of this new tier of government. As the OECD noted in its 2017 survey of the UK economy, excessive reliance on central government transfers “may create disincentives for local leadership as its main objective can become receiving transfers from central government rather than working towards a productive local economy.”

Addressing this does not necessarily require extensive fiscal devolution. In some places, the Treasury has allowed local authorities to retain business rates as a way to increase incentives for local leaders to boost growth.

The Treasury should explore other ways in which it can enable MCAs to retain a share of any revenue gains from successful local growth interventions. This could include mechanisms to allow MCAs and their constituent authorities to retain a share of the uplift in land value from transport investment schemes. Driscoll has proposed that MCAs should be able to retain all of the revenue gains from additional jobs created above the targets set out in their devolution deals with the government.

Innovative models such as this could be piloted in the Trailblazer deals.

No matter which specific changes are ultimately implemented, we argue that reform of the funding of MCAs should be judged according to the extent to which it delivers: increased flexibility, greater long-term certainty, reduced bureaucracy, accountability for outcomes rather than delivery of specific projects, and stronger incentives on metro mayors to take decisions that boost growth. In the next chapter, we discuss how accountability and scrutiny arrangements will need to be tightened as a quid pro quo for greater fiscal freedoms.
7. Strengthening scrutiny

Metro mayors and other local leaders argue that they are better placed than central government to identify the needs of their places and to spend public money effectively. But the view of many in central government is that accountability and overview of spending is stronger in Westminster and Whitehall than in local government.

This perspective may have been reinforced by recent cases of local authorities encountering financial problems – though many in local government point out that a major cause of these problems has been the sharp reduction in funding since 2010. Between 2018 and 2021, three local authorities issued Section 114 notices, which pause ‘non-essential’ (non-statutory) spending.

For central government, the advantage of tight funding rules is that it can withdraw financing if it perceives that funds are being poorly deployed. In March 2021, for example, the government withdrew £45m in support for an affordable housing scheme in Cambridge and Peterborough Combined Authority because of concerns over value for money.¹

Consequently, the government is only likely to be willing to loosen its control of public expenditure at the subnational level if it can be confident there are robust processes in place to scrutinise spending decisions and hold leaders to account.

Existing scrutiny mechanisms in MCAs need improvement

In evidence to the Levelling Up, Housing and Communities Select Committee, the Centre for Governance and Scrutiny identified five forms of scrutiny that operate at a combined authority level: scrutiny of the mayor by council leaders; by other local partners; by the public and press; by the formal scrutiny bodies of the combined authorities; and by individual constituent local authorities.²

However, some of these do not work well. Public understanding and interest in the powers and operations of combined authorities tends to be low, and local press coverage of the proceedings of MCAs is limited in many parts of the country (local media has struggled to stay financially viable and in many places has withered away).

Local authority leaders, by virtue of sitting on the board of the MCA, can exercise oversight of the operation of the metro mayor and in many cases can exercise a veto on mayoral proposals. But council leaders are also part of the mayoral cabinet and take decisions jointly with the metro mayor. Consequently, other members of the MCA do not see their primary role as to hold the mayor to account. As the Centre for Governance and Scrutiny has noted: “Partnership is fundamental to the ability of the MCA to deliver its priorities – everything the MCA does is about partners and
partnership.” This is often achieved by negotiating and reaching agreement informally in advance of official meetings, limiting the capacity of other councillors, the media or the public to scrutinise decisions.

Council leaders are thus both part of the decision-making executive of the MCA, and act as a check and balance to the mayor. As a recent select committee report noted, this “dual role” that can potentially result in a “confused democratic mandate.”¹ The governance model is not set up to manage a situation where there is a breakdown in trust between the mayor and the leaders of the constituent members.

All combined authorities have an overview and scrutiny committee, intended to enable councillors from the constituent member authorities to examine and challenge the decisions and policies of the combined authority board. In principle, these committees have relatively strong “call-in” powers to review decisions of the MCA, and to summon the mayor, chief executive and other officers to give evidence. Indeed, the formal scrutiny arrangements for metro mayors exceed the powers of the London assembly.⁴

However, the status of the scrutiny committee tends to be relatively low, and councillors have little time or incentive to engage with it. As one official observed: “The problem is not so much with the theoretical powers, but the low status and engagement. They could be good, but they are not.” One senior councillor noted to us however that an experienced and able chair can make a big difference to the performance of the committee. We also heard that MCAs have themselves recognised the weaknesses of the scrutiny system and begun to improve it. For instance, in West Yorkshire the MCA replaced its single scrutiny committee with separate corporate, economy and transport scrutiny committees.

Some councillors have made public their concerns over the effectiveness of the scrutiny committees. Minutes of meetings of a WMCA overview and scrutiny committee meeting in January 2018, for example, show members expressing concern that the process for scrutinising important decisions such as the budget were inadequate. Among other issues, the committee noted that the process of consultation over the introduction of a mayoral council tax precept “was considered by the committee to be lacking the proper levels of openness and transparency.”⁵

Poor attendance at scrutiny committee meetings has limited their ability to hold metro mayors to account

The scrutiny of mayors has been undermined by chronic problems with quoracy in scrutiny committees across all the MCAs. This is in part because the quoracy threshold is unusually high, with two thirds of members required to attend – by contrast, most local councils generally require only a few members to attend; for a House of Commons select committee it is a quarter.⁶ One former councillor in a combined authority described the scrutiny arrangements in the MCA as a “nightmare” and that the single most difficult thing about running the governance systems “is just getting people to sit in meetings and do the scrutiny role.”

¹ Some MCAs, such as Greater Manchester, have more than more scrutiny committee.
One independent expert also noted that quoracy requirements are also a drain on the resources of the MCA governance team, as scrutiny officers must expend a lot of their time simply trying to ensure that councillors attend meetings.

The Institute for Government looked at the number of meetings of scrutiny committees that were cancelled in the Greater Manchester and West Midlands combined authorities over the three financial years to 2021/22. These combined authorities were selected as they are currently negotiating new deals with the government to devolve further powers, and the effectiveness of existing scrutiny arrangements is therefore a matter of particular concern. During this period, the GMCA’s three scrutiny committees scheduled 68 meetings, and the WMCA’s 22. Of these, 24 meetings (35%) in the GMCA and 14 meetings (64%) in the WMCA were cancelled.

Attendance improved during the pandemic, when many meetings were held remotely via video link. In the GMCA, 46% of meetings were cancelled in financial year 2019/20, compared with 30% between April 2020 and March 2022. In the WMCA, all the scheduled meetings of the scrutiny committee were inquorate in 2019/20, compared with 50% from April 2022 to March 2022.

These problems with quoracy apply to all the combined authorities and have been recurring since the election of the first metro mayors in 2017. As early as November 2018, the West Midlands Overview and Scrutiny Committee held discussions with the then Ministry of Housing, Communities and Local Government regarding the possibility of lowering the quoracy threshold. Oversight and scrutiny committees only have a limited period in which they can ‘call-in’ decisions made by the mayor or MCA to examine them. If an insufficient number of councillors attend the scrutiny committee meeting to consider whether to call in a decision, the opportunity to hold the MCA to account is lost. For example, the CPCA scrutiny committee was unable to call in the mayor’s transport plans in 2018 because the meeting was inquorate.

Members of scrutiny committees have also noted problems with reports being submitted by mayors’ offices in a timely manner. Several interviewees felt that the relatively low status accorded to the scrutiny committee meant that it was relatively easy for MCAs and mayors to ignore or limit their engagement with them. In several combined authorities, councillors complained that the mayor has cancelled appearances at scrutiny committees at late notice. The Tees Valley mayor did not attend any oversight and scrutiny committee meetings in the May 2020 to April 2021 reporting year, and was subsequently criticised by councillors after he told a House of Commons select committee he had made himself available for scrutiny on multiple occasions. Councillors have also noted that the high quoracy requirements mean it is relatively easy for councillors from the mayor’s party to prevent effective scrutiny by failing to attend committee meetings.
We recommend that the quoracy threshold for scrutiny committees be reduced from two thirds to at most one half. Another potential reform, which the government consulted on before the pandemic, would be to allow virtual attendance at scrutiny meetings, at least where there are specific reasons (such as illness or childcare commitments) preventing in-person attendance. However, perhaps more important is to strengthen the incentives for councillors to devote time and effort to the scrutiny process.

Incentives to strengthen internal scrutiny could be improved

There are several measures that could be taken to strengthen the existing scrutiny mechanisms. Councillors have limited incentives to participate actively in the scrutiny and oversight committee: they receive no additional payment for attendance, which comes on top of their commitments to their local authority and ward. Some have to travel much further to attend scrutiny meetings than to attend local council meetings, something that is likely to become more acute as new mayoral combined authorities are established in large rural areas.

The government should therefore provide additional funding for all MCAs to pay councillors a “special responsibility allowance” for participating in oversight and scrutiny and other combined authority committees, with payments linked to attendance.

The cost of this is likely to be modest. In 2021/22, a total of around 180 councillors sat on MCA oversight committees (excluding substitutes), meaning an annual allowance of £4,000 (more than half the average basic allowance of English councillors) would cost around £700,000.

We also heard that MCAs do not have the incentive to dedicate much of their relatively limited staff capacity to supporting the scrutiny process. We therefore also suggest that the government should support councillors by providing funding specifically for the MCA to hire additional scrutiny professionals to support the work of the committee. This could be done by increasing the Mayoral Capacity Fund, which is provided by DLUHC to support the operational budget of the MCA, while requiring that a specified proportion of that fund be set aside for this purpose, as previously recommended by councillors in the West Midlands Combined Authority. Again the costs would be low. For instance, if all nine MCAs were provided with funding to recruit one additional senior scrutiny officer, the total cost would likely be less than £1m.

The government and the MCAs themselves should also increase accountability and strengthen public oversight by making it easier to access information about the powers of the MCAs and their performance. At present, key independent evaluation documents are not widely available. This includes the independent analysis of the MCAs’ use of its investment funds, which are conducted every five years as part of the Treasury’s Gateway review process. The first six reviews were successfully completed in 2020, but these are not published as a matter of course by the Treasury or DLUHC, and there does not appear to be a requirement for combined authorities to make them available to the public in a timely fashion. At the time of writing Tees Valley was the only one of the initial six MCAs to have published its 2020 review.
**New mechanisms could sharpen mayoral and MCA accountability**

In addition to strengthening the existing scrutiny system, the government should consider more radical reforms, involving the creation of new accountability mechanisms, especially in places that secure more sweeping powers and fiscal flexibility in deeper devolution deals.

One option would be to establish local public accounts committees (LPACs), which the Centre for Governance and Scrutiny (CfGS) has proposed, to examine the value for money of MCA spending and service delivery. The idea would be for such committees to be led by local councillors, with other local stakeholders – perhaps including MPs – joining as well. These committees would have the power to ask for written and oral evidence from the mayor, other local leaders on the MCA, and senior MCA officials including the chief executive. The LPACs could cooperate with the House of Commons Public Accounts Committee, perhaps even by co-opting members from this committee. As the CfGS has suggested, where LPAC inquiries identify systemic issues in the operation of an MCA, these could be escalated to the House of Commons Public Accounts Committee.

Another more radical reform would be to make the chief executives of MCAs directly accountable for oversight of spending within certain non-ringfenced blocks of funding, such as the investment fund or funds created along similar lines for functions such as skills and net zero (as we recommend above). This would be a similar model of accountability to that employed in central government, where permanent secretaries are accountable to parliament for the use of public money by their department, and appear regularly before parliamentary select committees to verify that proper processes have been followed and that any spending decisions offered good value for money. In a similar way, both metro mayors and chief executives could be held to account directly by LPACs – or directly by the House of Commons Public Accounts Committee.

In cases where chief executives felt that MCAs’ spending plans offered poor value for money or breached other criteria such as ‘propriety’ and ‘regularity’, they could seek a formal instruction to proceed from the mayor and the MCA board. In these cases, accountability for the outcomes of these spending decisions would shift directly to the mayor and MCA board. This would follow the mechanism by which permanent secretaries can request a written ministerial direction when they wish to register concerns regarding a decision.
8. Reforming the centre

The government recognises that to make a success of devolution across England, Whitehall itself will have to undertake a “a radical reorientation of decision-making”. This is welcome. But genuinely changing Whitehall’s culture and attitude to devolution – making place-based approaches a “golden thread” running through government – will be a major undertaking requiring sustained commitment and political leadership.

The government has committed to ‘systems reform’ to support devolution

The government’s levelling up white paper describes a long history of centralised approaches to policy making which “under-utilises local knowledge, fails to cultivate local leadership and has often meant anchor institutions in local government have lacked powers, capacity and capability.” It concludes by acknowledging that policy making has historically “weighed spatial considerations insufficiently in the design and delivery of policy initiatives”.

To redress this problem, the government commits to a set of reforms designed to “hardwire spatial considerations” into the policy process, improve transparency about spending and performance at the local level, improve coordination of policy making, and improve links between central decision-makers and local places.

Since the publication of the white paper, some of the promised changes have happened. A new cabinet committee for levelling up has been established to improve policy coordination between government departments. The government has also begun to appoint 12 new ‘levelling up directors’, nine of whom will cover regions of England. The directors are intended to act as a single point of contact for local leaders, and help to embed place-based thinking across Whitehall departments. A statutory duty to report annually on progress towards levelling up – including progress on the devolution agenda – is being established via the new Levelling Up and Regeneration Bill, which also includes provisions for the creation of new combined county authorities.

Other reforms are in train. There is a plan to establish a new independent body to collect data on local public service performance and outcomes. An independent advisory council is also being created, with a mission of advising ministers on the design, delivery and impact of government policy as it relates to levelling up. As noted the government also remains committed to simplifying funding for MCAs and local government. No details about the promised new and enhanced devolution deals have yet been published, although negotiations are understood to be underway.

Many of these proposals are welcomed in principle by metro mayors, MCA officials and others at local level. However, our interviews found that this support is balanced by scepticism about the depth and breadth of the government’s commitment to devolution.
There is scepticism at the devolved level about Whitehall’s commitment to devolution

Michael Gove, as lead minister for the devolution agenda, and the Department for Levelling Up, Housing and Communities (DLUHC) were broadly regarded as sincerely committed to making devolution work, but other parts of Whitehall came in for criticism. One experienced official reported simply that “the attitude generally towards devolution in central government is reluctant.” Many individual departments were singled out for criticism too.

Andy Burnham stated that the Department for Education (DfE) “does not buy into the devolution agenda. It sees things being decided top-down when it comes to education.” An MCA official felt the Department of Health and Social Care (DHSC) “doesn’t really recognise local government structures particularly effectively”. The Department of Work and Pensions (DWP) was described as “the dead hand of government when it comes to local partnerships”. The Department for Business, Energy and Industrial Strategy (BEIS) was branded “pretty bad on the whole” in its engagement with devolution. The Department for Culture, Media and Sport (DCMS) was criticised for poor internal joining up, making it difficult to have a coherent dialogue about departmental initiatives in a given region. The Department for Transport (DfT) was alleged to “just delay decisions” if they disagree with a devolved proposal, although it was also described as “further in the devolution journey than any other department”. And the Treasury was seen as “too interventionist, too centralising”, whose “default is to be risk averse”.

Interviewees also reported frustrations stemming from poor coordination between government departments. One had found it “catastrophically impossible to get any joining together”. Another reminded us that even if agreement was reached with one department, the problem was that “departments don’t talk to each other”. Another reported that “I’ve spoken to civil servants who don’t know there is a combined authority and that we have a mayor. They have little understanding of combined authorities, mayors, powers and geographies.”

The Institute for Government has previously identified that the UK’s response to the coronavirus pandemic exposed a “basic lack of understanding of the makeup and functions of local government within Whitehall departments,” even within senior ranks of what is now DLUHC. A further concern expressed was that any commitment to devolution could be unpicked by ministerial turnover and shifting government priorities. One person felt there were already examples of government “rolling back by stealth” the devolution process, for instance by announcing centrally managed skills programmes that cut across devolved responsibility for adult education.

Whether all of these criticisms are fair is not the point. To some extent, they probably are not, or are at least exaggerations. In our own conversations we encountered much good faith commitment in Whitehall to making devolution work. It is also true that devolution itself can be complicated, not least as accountability for most public spending still runs directly via ministers and senior officials through to the House of Commons. Civil servants must also respect the decisions of ministers who see dispersing local grants as a mechanism for generating positive publicity.
These are not necessarily considerations that those at devolved or local level will have at the forefront of their minds.

But it is clear that many at the devolved level find dealing with central government frustrating and dispiriting. And this leads to an instinctive scepticism about government devolution promises, which reduces the prospects for constructive cooperation between mayors and ministers in pursuit of shared objectives. The onus is therefore on the government to show that this time things will be different. Below we sketch out some practical steps that could be taken.

**The government should strengthen its approach to English devolution – learning from its experience of Scotland, Wales and Northern Ireland**

In recent years, Whitehall has devoted substantial attention to how it works with the devolved administrations in Scotland, Wales and Northern Ireland. The government should draw on this experience as it seeks to reorient Whitehall for a new era of devolution within England.

First, to deepen understanding of devolution across Whitehall, the government should invest in a dedicated training offer for domestic policy officials on the role of metro mayors, MCAs and local government. This would be in line with the expanded ‘Devolution and You’ training programme offered to UK government officials on how devolution works in Scotland, Wales and Northern Ireland.

Second, the government should encourage interchange of civil servants with officials working for MCAs, through secondments or short-term placements such as those that take place between the UK and devolved governments during ‘civil service interchange week’. The purpose would be both to increase awareness of how different levels of government work and to encourage the development of relationships between officials working on similar policy issues from a national and regional perspective.

Third, the government should ensure that the new regional levelling up directors are used effectively to facilitate better relations between MCAs and Whitehall. As the Institute for Government has previously argued, these roles could help improve collaboration “by acting as a single point of contact for local leaders into Whitehall”, helping MCAs to join up across departments. The government should make sure these individuals do not become perceived either as rivals to MCAs, or as buffers between mayors and government departments. Previous attempts to create regional directors have run into such problems. The Scotland Office and Wales Office are also sometimes criticised in these terms by the Scottish and Welsh governments.

Fourth, the government should launch a joint review of its relations with metro mayors, along the lines of the review of inter-governmental relations conducted with the devolved administrations, which concluded in January 2022. The goal of this review should be to establish a published framework for consultation, cooperation and dispute resolution between government departments and MCAs, both individually and as a group (through the M10 network of mayors), based on agreed principles.
A transparent statement of the overall approach to funding metro mayors could be incorporated in this too, including a dispute resolution mechanism, in line with the Statement of Funding Policy relating to the budgets of the devolved administrations. ¹⁰

Fifth, one outcome of such a review could be the establishment of an ministerial–mayoral committee involving the metro mayors, ministers from key departments such as DLUHC, DfT, DfE and DWP, and the levelling up directors. Alongside this, another option would be to create a forum for individual MCAs – at senior official level – to have joined-up discussions with several departments at once on cross-cutting issues. Interviewees reported that there was no such mechanism at present.

Finally, we suggest that the government should commit not to reverse or amend the terms of devolution to metro mayors without local consent, nor to announce new initiatives that relate to devolved functions such as local public transport or adult education without prior consultation with metro mayors.

This would be a parallel to the Sewel Convention, which is designed to guarantee the autonomy of the devolved bodies in Edinburgh, Cardiff and Belfast. ¹¹ As with the Sewel Convention, this could provide no legally guaranteed protection for the devolved bodies, but would at least set an expectation that devolution would not subject to constant unilateral changes.

Over the longer term, the direction of travel should be toward recognition of MCAs and other devolved bodies (including the Greater London Authority and any county combined authorities created over the coming years) as a new intermediate tier of government within England. This should have its own sphere of responsibility, guaranteed funding, rights to be involved in national decision making, and agreed processes through which to raise and settle disputes with the centre.

That is unlikely to happen any time soon, but we suggest not only that many of the recommendations we have set out in this report not only could be implemented in the short term, but also that the government should make many of these changes if it genuinely wants to use the power of local leadership to help level up England.
Conclusion

Metro mayors are a relatively new addition to England’s complex and crowded subnational governance landscape. The nine mayors elected since 2017 have all faced challenges in their first few years in office, including the need to overcome scepticism within local government about the benefits of having a directly elected regional leader. But they are now broadly seen to have added value, by improving coordination and providing a strong voice for their regions.

But the powers and funding of metro mayors are not sufficient. The government recognises that levelling up cannot be done by Whitehall alone, and that success will depend in large part on the ability of local leaders to raise the economic and social performance of their places. Ministers should therefore have the courage of their convictions and empower metro mayors to help level up England.
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