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Tests for the West: Devolution to the West of England

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Shortly before Tim Bowles was elected the first ‘metro mayor’ for the West of England, a group of academics, local government representatives, Whitehall officials and trade unionists gathered in Bristol to discuss the opportunities and challenges for devolution to the region.

This event, organised by the British Academy for the humanities and social sciences, was the fifth in a series of discussions held across England as part of the Academy’s Governing England programme. This paper draws out the key insights from the discussion as the new era of devolution in the region begins.

Context

On 4 May 2017 Conservative Tim Bowles was elected as the first ‘metro mayor’ for the West of England region, winning 52% of the vote in a second-round run-off against Labour candidate Lesley Ann Mansell. Mayor Bowles will chair the new West of England Combined Authority (WECA) (Map 1 in the Annex) spanning the three local areas of the city of Bristol, South Gloucestershire, and Bath and North East Somerset (also shown as areas 1, 3 and 4 in Map 2). The leaders of these three constituent councils will sit on the

combined authority cabinet, which will scrutinise the mayor and have joint decision-making power in some areas.

The creation of these new institutions for the Bristol metropolitan area and surroundings did not emerge out of nowhere. Rather it is just the latest, if perhaps most significant, development in a longer story of devolution and partnership working in the West of England.

Until 1996, these three council areas, along with North Somerset (area 2 in Map 2), were all part of Avon Non-Metropolitan County Council. Avon was abolished as part of an ongoing programme of local government reorganisation, which also saw the six districts of Avon replaced by four new unitary authorities.

The first major attempt to revive a regional tier of governance in this part of England came with the creation of institutions covering the much larger South West administration region (areas 1 – 16 in Map 2) in the 1990s. This tier was strengthened by Labour after 1997, and included a regional development agency, regional government office and unelected regional chamber (with the initial plan for elected regional assemblies across England abandoned in 2004). However, the 2010-15 Coalition Government abolished this level of governance and instead focused on strengthening city and city-region level structures.

In 2012 the West of England signed the [Bristol City Region City Deal](#), intended to encourage economic growth through greater freedom over spending. This was negotiated by the West of England Local Enterprise Partnership (LEP), formed in 2011, and its constituent local authorities – all four parts of the former county of Avon. This geography was described in the deal document as reflecting the “economic realities of the city region” and it was further noted that these local authorities have formed “one of the longest established city regional partnerships in the country”. The City Deal was followed up by ‘Growth Deals’ made directly with the LEP in [July 2014](#), and expanded in [January 2015](#), which gave additional funding to the LEP to carry out its [Strategic Economic Plan](#).

In March 2016 these same four local authorities signed a more ambitious [devolution deal](#) with the Government. The deal committed to the creation of the new combined authority, to be chaired by a directly elected West of England Mayor. It was agreed that the WECA would have control of additional funding of £30 million a year over 30 years to boost growth, as well as strategic powers over transport, housing and adult skills. At the British Academy event, the deal was described as providing an opportunity for local leaders “to do their best for the region”, as the extra funding on offer would enable the WECA to address key issues facing the area such as the lack of affordable housing and weak infrastructure.

In June 2016, however, North Somerset Council voted not to accept the devolution deal, with Councillor Nigel Ashton, Leader of the Council, saying it did not want “the additional costly and bureaucratic layer of decision making that a combined authority and metro mayor would bring”. The deal went ahead without North Somerset, so the WECA now consists of Bristol, South Gloucestershire, and Bath and North East Somerset.

Public engagement

At the event, a number of participants raised concerns over the low level of public engagement with, and understanding of, the devolution process. One reason for this was the way the devolution deal was agreed, primarily through private negotiation between officials and politicians at local and central levels. The fact that the legislation establishing the combined authority was only passed in February 2017 was also highlighted as a challenge, since this had left little time before the mayoral elections to educate the public about the new arrangements or for candidates to build their profile.

A specific problem in Bristol was that residents were confused by the new metro mayor post since the city already has an elected mayor as head of its council. Some residents thought the election was to replace current city mayor Marvin Rees, rather than to elect a new mayor for the wider region. On the other hand, residents in Bath and North East Somerset in 2016 rejected a proposal to switch to the mayoral model for their own council, with 79% of the population voting “no”. This made the imposition of a metro mayor unpopular.

The extent of public support for the creation of new devolved institutions also remains in question, even though voters tend to support in principle the idea of greater decision-making power being held locally. Public opinion data presented at the event revealed “broad but shallow” support for devolution. Furthermore, very few voters strongly agreed that devolution to the region should be subject to the creation of the post of metro mayor.

For these reasons, there were concerns at the roundtable that low electoral turnout could undermine the legitimacy of the new mayor. In the event, turnout on 4 May came in at just under 30%. This was at the higher end of expectations at our seminar, and second highest of the six metro mayoral elections held on that day (after Cambridgeshire and Peterborough). There was some variation across the region, with turnout highest (at 31%) in Bristol and lowest (at 27%) in South Gloucestershire.

An abstention rate of 70% is hardly a sign of strong democratic engagement with the new institutions. However, as highlighted at the event, evidence from other elections suggests turnout might rise over time. For instance, just 27% of the electorate voted for the new post of Bristol Mayor in 2012, and even fewer (19%) voted for the Avon and Somerset Police and Crime Commissioner in that same year. Four years later, turnout had risen to 45% and 26% respectively. With the new mayor now in office, public

awareness of the new devolution arrangements can be expected to increase, and we will find out in 2020 whether this translates to a significant increase in voter turnout.

A number of attendees stressed the importance of the new mayor securing “early wins” that are highly visible to the public and demonstrate the purpose of the new arrangements. One participant pointed to the example of the integrated transport and ticketing systems brought in by the Mayor of London after 2000 and suggested that the new mayor in the West of England should prioritise something similarly eye-catching.

A return to Avon?

As discussed at the British Academy event, the new combined authority to some extent marks a return to the old two-tier council structure, in which Avon County sat above six district councils. As noted above, the WECA was to have included all four successor councils, but only three went ahead with the deal. Nonetheless, some concerns were expressed at the event that the new structure might replicate some of the unpopular elements of the old two-tier system, such as excessive bureaucratic layers of government and dominance by Bristol of the surrounding districts.

The concern was not unanimous and some questioned the idea that this was a return to the old model. The geography of the WECA may cover a similar area to Avon, but, while Avon Council was a large organisation employing thousands of people, the WECA will have a much smaller team to set strategic direction rather than to absorb delivery functions from its constituent councils. Also, while Bristol is much larger than the other two unitary authorities,¹ [the decision-making arrangements](#) state that each of the three constituent councils, along with the metro mayor, has a single vote in the WECA. One participant felt that this meant Bristol would not be able to dominate the agenda in the same way it was perceived to have done in Avon.

North Somerset’s absence from the WECA also means the geography of the combined authority does not replicate precisely the geography of Avon County. One participant described it as “quite disappointing that North Somerset decided not to join us on this journey”. However, it was noted that while North Somerset would consequently not have access to the new funds, it would still have to work closely with the other three areas on certain issues, particularly in terms of infrastructure. North Somerset Council is still involved in the [West of England LEP](#) and there is both a joint spatial and a joint transport plan in the region. Also, as one participant observed, Bristol airport is located in North Somerset, so infrastructure and transport planning for the region will inevitably involve coordination with North Somerset Council.

There was also some discussion about a devolution model that could encompass a wider geographic area, beyond the old county of Avon. One attendee suggested that the WECA should eventually expand to include the whole of Somerset, while another participant was concerned about the way that the WECA deal has separated this area

¹ Bristol’s population in the [2011 census](#) was 428, 000 to South Gloucestershire’s 262,000 and Bath and North East Somerset’s 176,000.

from the rest of the 'South West' including Devon and Cornwall, arguing that the current approach might serve to reinforce regional inequality. A larger regional structure to address certain issues, such as transport, was proposed in order to ensure that the counties further to the South West are not left behind. Others were sceptical, however, and felt that the WECA area had little in common with the wider and more rural South West, and that it made more sense to strengthen economic links with other urban centres including London and Cardiff.

In the short term, however, an expansion of the metro mayoral area seems unlikely, given the difficulties faced in establishing the three-council combined authority and mayor. For now, Tim Bowles must invest in building a strong relationship with key stakeholders in the region. The governance model rests upon the ability of the mayor and council leaders to work in partnership with each other as well as with the LEP and other bodies. The history of collaboration between the councils in the area is a good sign but it is important they build on this to form a strong relationship with the new mayor. This will help realise the opportunity to address some of the constraints to growth across the region, and to build a case for further devolution in future.

The mayoral model

The devolution model agreed with the Government created the new combined authority composed of the leaders of the three constituent councils as well as the new mayor, who will chair the new body. The respective powers of the mayor and the council leaders are established in the combined authority Constitution, published in March 2017.

The Constitution establishes that decisions of the combined authority must be approved by a majority, with no casting vote for the mayor, and a clause stating that "if a vote is tied on any matter it is deemed not to have been carried out". Furthermore, major decisions including approval of the Constitution, adoption of a spatial development strategy, and approval of borrowing limits all "require a unanimous vote" by all four members of the WECA.

The four councils of Bristol, South Gloucestershire, Bath and North East Somerset, and North Somerset had initially explored the concept of devolution to the area without a mayor, but the Government made clear that this was a non-negotiable aspect of sealing a devolution deal. This was noted by several participants as the main reason for North Somerset having withdrawn.

Participants at the event argued that the local authorities of Bristol, Bath and North East Somerset, and South Gloucestershire had a positive history of collaboration and therefore did not need a new mayor to cut across local rivalries and drive through decisions at the regional level. It was argued that the infrastructure for collaboration was already in place, for example, through the West of England strategic partnership, and there was concern an elected mayor may complicate existing relationships.

However, the constituent councils ultimately took a pragmatic approach and accepted the introduction of a mayor both in order to gain the extra budgets and powers on offer now, and also with a view to the future. As one local figure put it, any further devolution would likely come down the mayoral route, so if the councils had not cooperated, the area could have been left behind.

While none of the local government representatives were hugely enthusiastic about the mayor, some in the room did recognise that having a single elected representative would make it easier for central government to negotiate with the West of England area, including over the transfer of additional functions. The creation of this single point of accountability is at the heart of the central government case for elected mayors.

It was also argued at the event that the new metro mayor will wield significant soft power deriving from their direct democratic mandate, enabling him to be a more effective champion of the region in public debate and in negotiations with Westminster. One speaker pointed out that, during the campaign, Tim Bowles and other candidates had already discussed policy areas outside the scope of the formal powers of the mayor. This is in line with the idea that the metro mayor is best understood as a “leader of place” rather than just the leader (or chair) of the combined authority.

Some local government representatives at the event had favoured an alternative governance model involving a rotating chair between the member authorities on the WECA. However, another participant felt that this model might have been more convenient for the councils in question, but it would have been less comprehensible to the public than a single high-profile champion for the whole region. There was also speculation over the role a mayor could play in encouraging a stronger sense of regional identity in the West of England area.

What has been devolved?

Like the other devolution deals, the main areas where Mayor Bowles and the WECA will have responsibility are housing, infrastructure and skills development policy in the region. Participants at the British Academy event noted that Bristol City Region is the most productive in England outside of London and the South East, but that, partly as a result of its economic success, it faces a set of challenges that threaten its continued growth, notably in terms of housing development and investment in skills. Participants at the event also highlighted that an important task ahead was to ensure inclusive growth across the region and not to focus disproportionately on the opportunities in Bristol.

The devolution deal gives the WECA “power over strategic planning, including to adopt a statutory spatial development strategy... the framework for managing planning across the West of England region”. At the event, the issue of affordable housing was emphasised as one of the key challenges facing the WECA: a 2016 Lloyds Bank study found that both Bath and Bristol were in the top 15 least affordable cities to live in the UK, as measured by the average house price-to-earnings ratio. Tim Bowles’ main policy

idea so far has been to highlight the opportunity for brownfield regeneration, stating that “too often green field development has been the ‘easy’ option”. The responsibility for a spatial development strategy will enable Bowles and the WECA to pursue this potential in the West of England region.

Linked to the need for more housing is the wider issue of infrastructure. Attendees at this event voiced concerns around infrastructure, which they felt was vital as Bristol continues to expand into its neighbouring areas. The agreement with the Government states that the West of England authorities will submit a Joint Spatial Plan and a Joint Transport Plan by the end of summer 2017 as well as a delivery plan “with proposals to fund this through devolved infrastructure funds and other appropriate programmes”. As noted, North Somerset Council will still be involved with these plans. The current understanding is that after May 2018 the mayor “will have responsibility for a Spatial Development Strategy for just the Combined Authority Area”. The interconnectivity with North Somerset, however, means that continued cooperation in certain areas will be necessary.

Under the terms of the deal, the WECA also gains responsibility for the 19+ Adult Education Budget from the academic year 2018/19. This will make it responsible for “allocations to providers and outcomes to be achieved”. It will also assume responsibility for the Apprenticeship Grant for Employers (AGE), to incentivise employers to offer apprenticeships. One specific issue identified at the event was that a lot of skilled workers are being employed as part of the Hinkley Point C nuclear power station project, which may cause shortages of certain skills for the rest of the region. Therefore, devolution is seen as an opportunity to work with the further education sector to ensure that sufficient investment in skills is made over the coming years. One participant suggested that the LEP could help the WECA understand what that skills shortage looks like and how to compensate for it.

Looking further ahead, it was also recommended that the new mayor watches carefully how his counterparts in the five other combined authority areas make use of their new powers. Since each devolution deal is somewhat different, there may be opportunities to make the case for further devolution based on experience of devolution elsewhere. For example, there was interest in how the devolution of social and health care responsibility will play out in Greater Manchester and therefore whether there would be an opportunity for other combined authorities to follow suit in future.

Funding devolved government in the West of England

There was discussion at the British Academy event of whether fiscal powers should be transferred from Westminster to support the ambition of the new devolved bodies. The West of England is due to take part in the pilot of 100% retention of business rates revenues by 2020. The current structure of this pilot means that the West of England will have transport grants funded from retained business rates, and the consultation, published in 2016, states that “the Government remains open to the possibility that some grants devolved through devolution deals could be funded from retained business

rates in future”. This is part of a wider scheme by central government to move away from funding local authorities through central government grants, the intention being to incentivise areas to stimulate growth.

The above-average growth in the Greater Bristol region means that this scheme could be a real opportunity for the West of England. The Local Government Finance Bill 2016-2017 was due to implement this reform and would have also enabled mayoral combined authorities to impose business rate supplements. However, the unexpected early dissolution of Parliament meant that the bill was not passed in the last session. New legislation will have to be introduced by an incoming government after the general election on 8 June before the WECA and its constituent authorities gain even these limited fiscal levers. However, both the Conservative and Labour manifestos pledge to review the business rate system, so it is uncertain whether this will happen.

Abandonment of business rate localisation would be a setback for the devolution agenda, but many participants at the event were sceptical that this was the optimal model for strengthening local fiscal powers in any case. For instance, it was pointed out that since business rates fall only on medium and large businesses, local authorities would have no incentive to encourage the growth of small/home-based businesses. Revenue from this tax was in any case heavily dependent on economic decisions and forces far beyond the control of local actors, so one speaker questioned whether this reform would simply devolve risk without the power to mitigate that risk.

Also, because business rate revenue is strongly linked to commercial property values, there is a significant variation in revenue between different parts of the country. Ongoing redistribution between areas will therefore be needed, but it is as yet unclear how this will work. At the local level, one participant also wondered whether Bristol and North East Somerset would, in future, pool its business rates revenue with its WECA partners rather than with the rest of Somerset. Participants at the event therefore discussed alternative approaches to funding local government – at council and/or combined authority level – for example, through a local sales tax or the assignment of a share of local income tax. There is as yet no apparent interest in such reforms at central government level.

The new mayor therefore takes office without any significant fiscal powers within their control. Whether this situation will change may depend on the next government’s commitment to the process of ongoing devolution to the West of England and other parts of the country.

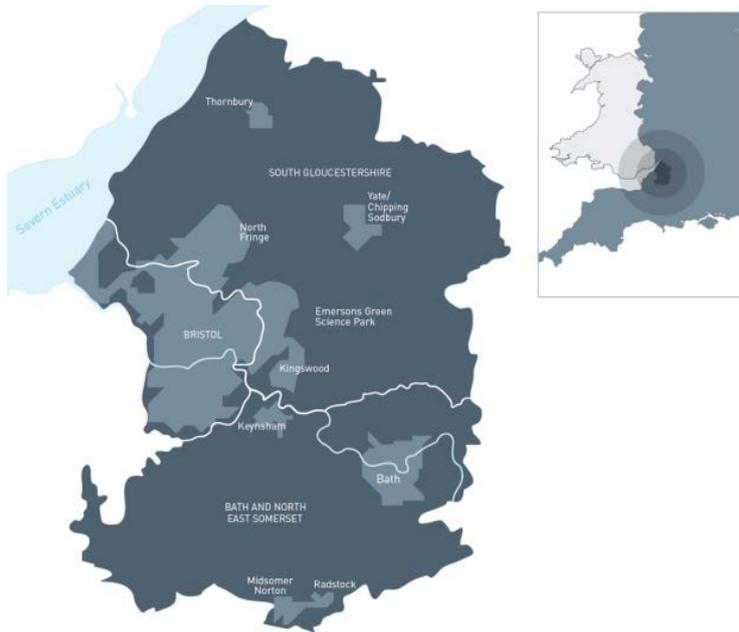
The path ahead

Overall, the local voices at the event were positive about the potential of this new era of devolution to enhance the ability to respond to the needs in the area. As noted, there are still also some concerns about whether the powers and budgets on offer are sufficient for the scale of the task, along with continued irritation about the imposition of a mayor by Westminster.

Nonetheless, there was an evident ambition that the three local areas and the new mayor would manage to rise above local parochial interests to take collective decisions in the interests of the whole region, with a view to taking on further powers over time. Tim Bowles therefore comes to office with an opportunity to build upon this goodwill and to work with his local partners to develop an economic and investment strategy for the whole region, and to amplify the voice of the West of England in national political debate.

Annex

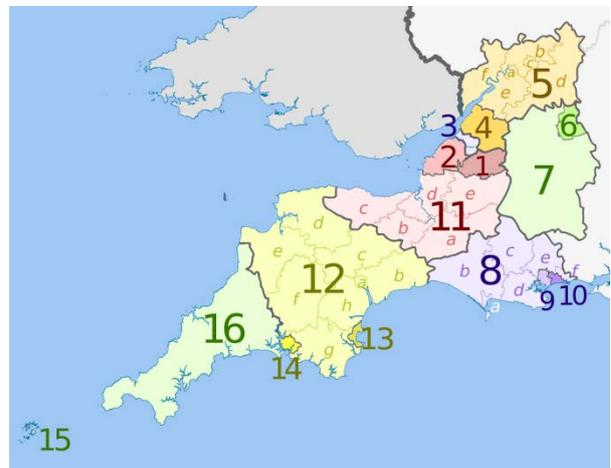
Map 1: West of England Combined Authority



Map source: West of England Combined Authority <https://www.westofengland-ca.org.uk/about-us-2/>

Map 2: South West of England region

1. Bath and North East Somerset unitary authority
2. North Somerset unitary authority
3. Bristol unitary authority
4. South Gloucestershire unitary authority
5. Gloucestershire County Council
6. Swindon unitary authority
7. Wiltshire unitary authority
8. Dorset County Council
9. Poole unitary Authority
10. Bournemouth unitary authority
11. Somerset County Council
12. Devon County Council
13. Torbay unitary authority
14. Plymouth unitary Authority
15. Isles of Scilly unitary authority
16. Cornwall unitary authority



Map source: Dr Greg and Nilfanion. Contains Ordnance Survey data © Crown copyright and database right 2011 [CC BY-SA 3.0, via Wikipedia Commons:
https://en.wikipedia.org/wiki/South_West_England#/media/File:South_West_England_counties_2009_map.svg

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