

# Local Government Association (LGA)

## Westminster Hall debate on city regions and metro mayors

Tuesday 9 June 2015



### Key messages

- The LGA has long argued for more powers to be devolved to local government. The Government's Cities and Local Government Devolution Bill is a positive step as it will give combined authorities the range of powers they need to create jobs, build homes, strengthen healthy communities and protect the vulnerable.
- There is no "one-size-fits-all" solution to the stronger local governance arrangements that may be needed where significant new responsibilities are devolved. Historically a top-down approach has not worked and several cities rejected elected mayors during referenda. The LGA wants to work with the Government to identify alternatives to elected mayors.
- Alongside legislative change, fiscal devolution is also required, carefully planned and with proper consideration of fair funding. Meaningful devolution should include multi-year finance settlements, full retention of business rates growth, and powers to set rates and discounts.

### Background

Devolution within England is the most effective way to create jobs, build homes, strengthen healthy communities and protect the vulnerable in all parts of the country. The LGA is calling for powers to be devolved locally. The Government's move towards this through the publication of the Cities and Local Government Devolution Bill is a positive step.

In particular, the LGA has been calling for combined authorities to be provided with the full range of powers they need to promote growth and public service reform, which includes expanding their functional scope and extending the general power of competence. The inclusion of these provisions in the Bill is a positive measure.

### No 'one-size-fits-all' model of governance

Historically a top-down approach has not worked and several cities have already rejected elected mayors during referenda that let people decide. People should be free to choose the appropriate model of governance for their community.

The LGA urges the Government to reconsider its position on elected mayors as a condition for greater devolution, in order that local and central government can work together to meet our shared ambitions for the people we are here to serve.

The LGA's report, [\*English Devolution: local solutions for a successful nation\*](#), sets out principles for strong governance and a number of models that could achieve this, including:

# Briefing

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- A directly-elected mayor with total executive power, supported by an advisory board drawn from constituent member councils;
- A directly-elected mayor or leader with limited executive power, with decisions taken by a cabinet made up of constituent member councils;
- An indirectly-elected leader with limited executive power (appointed by the constituent councils);
- A leader for a multi-county area, supported by an advisory board drawn or cabinet from all constituent members.

The Government has recently said that an elected mayor was not a “requirement or deal breaker” for non-metropolitan areas, as it has been for devolution to city regions. Local government would like clarification that the Cities and Local Government Devolution Bill will offer the same level of devolution for county areas as for city regions. Every area should have the freedom to determine the model most appropriate for them as long as it is in accordance with principles of strong governance.

### **Transparent and collaborative decision-making**

The Bill creates a number of new powers for the Secretary of State in order to grant the devolution of powers to combined authorities. Where it is in the Secretary of State’s power to alter local structures and delivery of public functions, it is vital that the decision-making process is transparent with clear criteria and route of appeal.

Decisions must be taken in consultation with local government, so that changes are appropriate to the local area and at the pace they can implement, given the reduction in core capacity that many councils have faced. For example, resolving the issues created by the different geography and boundaries of police forces and combined authorities will be best achieved by giving local areas the flexibility to create governance arrangements that work for them.

The Secretary of State’s decision to devolve powers to a combined authority must not be based on the financial implications alone, but must take into consideration the wider impact. The LGA’s report [English Devolution: local solutions for a successful nation](#) identified that devolution could bring £20.6 billion in potential savings. However, the benefits of devolution are diverse and will include improved public services, economic growth and job creation.

### **Devolution underpinned by sustainable funding**

Alongside legislative change, funding reform is also required to realise the benefits of greater devolution. The LGA’s [100 Days campaign](#) calls on the Government to enable all councils to retain 100 per cent of business rates growth and to set local charges, and rates and discounts for council tax and business rates.

Greater fiscal autonomy at the sub-regional level will enable more places to invest in the infrastructure needed to unlock growth and deliver public services that meet the needs of a twenty-first century society and economy. The path towards full autonomy needs to be carefully planned, with proper consideration of fair funding and equalisation needs.