

## Introduction

Britain's Leading Edge is a collaboration of 12 upper tier rural authorities without major cities: Cornwall Council, Cumbria County Council, Dorset Council, Durham County Council, East Riding of Yorkshire Council, Herefordshire Council, Isle of Wight Council, Council of the Isles of Scilly, Lincolnshire County Council, North Yorkshire County Council, Rutland County Council, and Shropshire Council. Together we represent 11% of England's total population and account for 8% of England's GVA.

Britain's Leading Edge was launched in July 2019 to provide a fresh voice in Westminster for rural areas without a major city. We want to work with government to unlock the power of our rural economies and truly "level up" opportunities across the whole of the United Kingdom.

### **1. *Should there be comprehensive reform of the English devolution and local government system?***

Yes, a large body of recent research concludes that the current centralised system of government funding and policy design, delivery and decision-making delivers sub optimal results in terms of levelling up and addressing economic inequalities between different areas of the UK<sup>1</sup>. Our regions face significant challenges, often unique to rural areas which miss out on the agglomeration effect of a major city. In tackling these challenges there is an obvious role to be played by national government. However, as the Industrial Strategy already acknowledges, a one-size-fits-all approach does not work.

Research by Britain's Leading Edge<sup>2</sup> shows that at present a 'policy corridor' runs across the centre of England, in which government has concentrated its innovation investment, devolution deals and core funding for essential local services. Furthermore, the recent House of Commons briefing paper<sup>3</sup> on 'Devolution to local government in England' highlights the progress made on devolution in mainly metropolitan areas. Whereas areas such as Greater Manchester have managed to secure greater funding and flexibility to address local challenges through their devolution deals; only 1 out of 12 Britain's Leading Edge authorities<sup>4</sup> have a devolution deal (Cornwall) and only two authorities are in an advanced stage of the discussions (Cumbria and North Yorkshire).

This limited approach to devolution risks exacerbating the geographical inequality that, unfortunately, still characterises the United Kingdom. While Britain is home to the richest regions in Europe, stark inequalities mean that the disparity in Britain between the richest and poorest is the biggest in Europe. It is overwhelmingly regions in Britain's Leading Edge that are being left behind.

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<sup>1</sup> Grant Thornton's Placed Based Growth – Unleashing counties' role in levelling up England report; the UK2070 Commission independent inquiry into City and Regional inequalities in the UK; Joseph Rowntree Foundation research; the Local Government Association/ Localis study into "Fiscal Devolution" and the opportunity to adopt an international approach "Rethinking Local"; and The Institute of Fiscal Studies report entitled "Sharing Prosperity? Options and issues for the UK SPF"

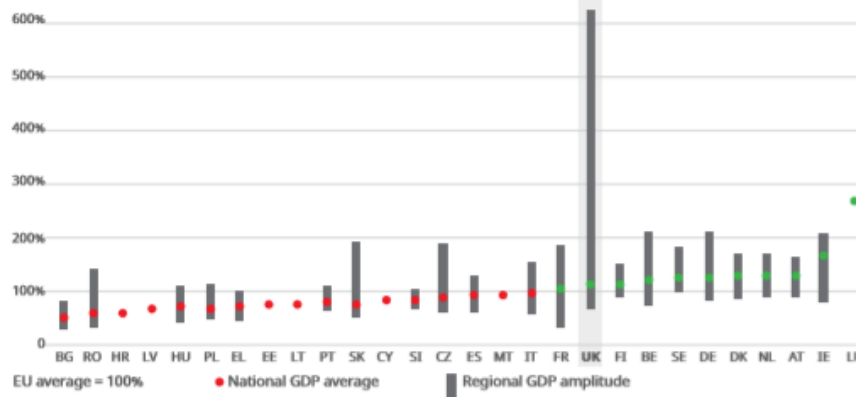
<sup>2</sup> Britain's Leading Edge (2019) *Tomorrow's Society Today*.

<https://www.cornwall.gov.uk/media/39213175/britains-leading-edge-booklet-july19.pdf>

<sup>3</sup> Sandford, M. (2020) *Devolution to local government in England*. House of Commons Library, Briefing Paper, number 07029, 26 March 2020

<sup>4</sup> Northumberland, a rural authority that meets the criteria of Britain's Leading Edge but is not engaged with us, also has a deal as part of North Tyne.

## Regional disparities in the EU



Source: Conference of Peripheral Maritime Regions (2010)  
 (Based on 2014, 2015 and 2016 regional GDP average, expressed as a % of the EU28 average)

Our regions stand ready to lead the way in decarbonising the national economy, finding solutions to an ageing population and tackling the challenges of low productivity. But we face significant challenges, often unique to rural areas which miss out on the agglomeration effects of a major city that are reinforced by the geography of government spending and power-sharing. The recent LGA report on devolution<sup>5</sup> highlighted seven key challenges for the future success of non-metropolitan England:

1. Distortions in local housing markets that are making it impossible for many residents to buy or rent a suitable home at an affordable price in their local community.
2. Public services which are finding it harder to support residents to maintain their health and wellbeing across dispersed populations
3. A significant decline in bus transportation provision and inadequate national funding of local road and rail infrastructure
4. A lack of mobile and broadband connectivity which is excluding residents and businesses from opportunities of growth
5. An over-centralised skills system which is struggling to train and upskill residents, especially in more rural settings, and failing to meet the needs of businesses.
6. A lack of sub-national trade and investment policy framework that could do much to help local businesses to export and attract foreign direct investment.
7. An approach to local growth that risks fragmentation and fails to harness opportunities for increased local productivity.

In tackling these challenges there is an obvious role to be played by place-based leadership where national and local government work together. We therefore ask government to **ensure parity of consideration and powers for non-metropolitan areas within its forthcoming Devolution White Paper**. This should include:

- publishing the support it offers to Local Industrial Strategy Wave 2 and 3 areas. This support must, at a minimum, match what is available to the predominately metropolitan local industrial strategy trailblazer areas, be cross-departmental in nature, and clearly articulate the role that the Department for Environment, Food & Rural Affairs will play in helping drive growth in rural economies;

<sup>5</sup> Local Government Association (2019) *The future of non-metropolitan England. The freedom to lead local places*.

- work with local government to design a localised and place-led successor to EU structural funding, incorporating future rural productivity funding, where appropriate;
- commit to meeting with local leaders to discuss how we can collectively work towards our Work Local ambitions with a view to launching Work Local pathfinders, across non-metropolitan areas.<sup>6</sup>

As the Industrial Strategy already acknowledges, a one-size-fits-all approach will not meet the diverse challenges faced and realise the opportunities available in different parts of the country. Rural proofing – a commitment made by government to ensure that people and locations in predominately rural areas of the UK receive comparable policy treatment to those in more urban parts of the country – has not yet delivered, as its application has been inconsistent and there has been insufficient consideration of rural needs<sup>7</sup>. The failure of blanket policy frameworks is laid bare in the finding that our region’s average per capita GVA is lower and growing more slowly than the England average. Our regions require policy which has the flexibility to reflect the way people in rural communities live and work, which is different to those with access to major cities.

The people and politicians living in Britain’s Leading Edge need to grapple with the particular opportunities and challenges of living in rural and peripheral places, often with dispersed settlement patterns, a predominance of small and micro businesses, entrenched socio-economic deprivation and an ageing population. As such, our areas require bespoke policy that is best formulated and implemented locally. This will allow Britain’s Leading Edge areas to develop innovative ways to promote sustainable development, stronger local ecosystems of SMEs, greater social inclusion and community well-being. Local authorities hold the expertise to ensure investment and funding is targeted and addresses the challenges specific to our places. A modern devolved approach to place leadership has the potential to transform the way we tackle challenges and realise new opportunities that will be good for local people but also bolster the national economy.

Cornwall is proof that devolution can work in an area that has an alternative governance structure to a Combined Authority mayoral system. As the first rural authority to sign a devolution deal in 2015, Cornwall has been delivering – independently verified by the Ministry of Housing, Communities and Local Government, as well as in the Warwick Economics evaluation for BEIS, due to come out later this year. The Cornwall Deal has been a first step towards ‘closing the gap’ that characterises Cornwall’s position vis-à-vis national averages. By securing freedoms to design local policy solutions to place-specific challenges, Cornwall Council and the Isles of Scilly Council in association with the Local Economic Partnership have delivered significant achievements, including crucial improvements to transport infrastructure to better serve local need, the launch of a Growth & Skills Hub, and tackling the higher than average fuel poverty rate<sup>8</sup>.

## **2. What aims and principles should underpin devolution in England?**

The three principles that should underpin devolution in England are:

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<sup>6</sup> Local Government Association (2019) *The future of non-metropolitan England. The freedom to lead local places.*

<sup>7</sup> Morgan, C. & Shepherd, J. (2020) *Land of Opportunity – England’s Rural Periphery.* New Local Government Network.

<sup>8</sup> Cornwall Council (2019) *Cornwall Devolution Deal – Impact Assessment.*

- **Subsidiarity** – institutional devolution of real powers, resources and accountability to the lowest appropriate level of local government. Beyond ensuring that policy and funding decisions are place specific and support the development of rural economies, devolution would bring control closer to the people. Britain’s Leading Edge includes some of the highest ‘leave’ voting areas in the referendum on EU exit, making it clear that our people want to ‘take back control’. Now that we have left the European Union, there is an opportunity to ensure that this historic step gives people a real stake in the national and regional economy, greater local prosperity and more influence over the decisions made for their communities.

Alongside devolution of powers from Whitehall to strategic authorities, areas like Cornwall have demonstrated the benefits of devolving powers from strategic authorities to local communities. Cornwall has independently pursued a policy of double devolution that has enabled political decision-making to include a much wider range of political representatives and voters than is usually the case. Cornwall has devolved ownership and control of important local assets (such as public parks, toilets, libraries, burial grounds and community centres) to town and parish councils. This act of subsidiarity has secured these much-loved assets for local communities while involving local politicians and citizens in their management with very positive effects.<sup>9</sup>

- **Incrementalism** - devolution now without requiring restructure or reorganisation of local government is essential to ensure regional inequalities are tackled now without requiring reorganisation of local government. The imposition of reorganisation as a condition of devolution causes delay and risks further entrenching rural inequality in UK’s future society. As Britain’s Leading Edge we see it as critical that any support programme from the government is locally led, with the governance structures and partnership working opportunities currently in place, thereby recognising the unique challenges regional areas face and the solutions local authorities are already trialling. Looking ahead, a restored and reenergised ‘Levelling up’ agenda will be one that takes stock of each region’s current place-based challenges and opportunities, integrating these unique characteristics into a dynamic and locally orientated policy response.
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- **Parity of consideration** – if we are to “level up” and close the gap in economic performance between the most productive and least productive regions, there must be parity of consideration for rural and peripheral areas. Presently the devolution of powers and funding favours city regions with metro-mayors. However, Cornwall - the first and only non-metropolitan area with a devolution deal - has demonstrated that strong unitary authorities covering a functional economic geography can deliver real benefits for residents. Independent evaluation of the institutional processes, progress and governance of authorities with a devolution deal commissioned by Government and carried out by Warwick Economics found that Cornwall’s track record of delivery compares favourably with that of mayoral areas; that Cornwall was the exception in having good levels of public understanding and perceptions of key local governance roles and concepts that are part of devolved institutions; and that the Cornwall and Isles of Scilly Leadership Board is advanced in its civic participation and reliable local governance. The UK2070 Commission has similarly reported that Cornwall’s place based leadership “works for an area with very different needs and priorities to those in mayoral metropolitan areas. The Cornwall and Isles of Scilly Leadership Board is based around an alternative governance model for rural areas, delivering significant impact.”

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<sup>9</sup> Wills, Jane. 2020. *The geo-constitution and responses to austerity: Institutional entrepreneurship, switching, and re-scaling in the United Kingdom*. *Trans Inst Br Geogr.* 2020;1–16. DOI: 10.1111/tran.12387

The three aims underpinning devolution in England are:

- **Levelling up** – improving specific problems of persistent regional inequality in line with the government’s stated objectives. Devolution and capacity for additionality needs to be part of a wider discussion on permanent and long-lasting fiscal and functional devolution. More broadly, implementation of further agreed devolved powers must be sustainably resourced. This is especially true in the context of unfair funding for rural authorities. Local councils in England’s rural counties are the lowest funded authorities; receiving just £240 per person for public services – 60% less than residents in inner London (£601) and 46% less than councils in metropolitan and city authorities (£419).<sup>10</sup> This while rural authorities face greater rural delivery costs in delivering public services.
- **Improving economic productivity** – delivering sustainable economic regeneration at pace in line with locally determined priorities, national demand and local competitive advantage. Britain’s Leading Edge already produce 37% of England’s renewable energy – four times more than the major cities – thus providing a stable and secure supply of clean renewable energy to the UK. Investing in clean growth projects in our regions will create a greener more productive economy, driving up exports to new global markets and helping to regenerate our rural communities. Greater investment will help deliver on the government’s Industrial Strategy while capitalising on our unique strengths. We have been making a strong case with Treasury officials and Ministers for a strategic investment in our renewable energy grid, which would unlock our ability to provide households in England with clean, local energy.
- **Empowering local democracy** – beyond ensuring that policy and funding decisions are place specific and support the development of the full range of regional economies, devolution would bring control closer to the people. Britain’s Leading Edge includes some of the highest ‘leave’ voting areas in the referendum on EU exit, making it clear that our people want to ‘take back control’. Now that we have left the European Union, there is an opportunity to ensure that this historic step gives people a real stake in the national and regional economy, securing greater local prosperity and more influence over the decisions made for their communities.

Empowering citizens to be accountable for and formulate solutions to local problems and local priorities best known to themselves. Local authority responses to Covid-19 as LGA research<sup>11</sup> discovered, is demonstrating residents are trusting councils to make decisions for them more than ever before, with polling conducted in June 2020 revealing that 71 per cent of residents trust their council – a 12 per cent increase from February.

Furthermore, double devolution would enable political decision-making to include a much wider range of political representatives and voters than is usually the case. Ownership and control of important local assets (such as public parks, toilets, libraries, burial grounds and community centres) would be devolved to town and parish councils. This act of subsidiarity has secured these much-loved assets for local communities while involving local politicians and citizens in their management with very positive effects.<sup>12</sup>

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<sup>10</sup> CCN News. 2020. England’s largest local authorities welcome renewed commitment to fair funding to help ‘level-up’ council funding. 8 January 2020. <https://www.countycouncilsnetwork.org.uk/englands-largest-local-authorities-welcome-renewed-commitment-to-fair-funding-to-help-level-up-council-funding/>

<sup>11</sup> “Re-thinking local”. (2020). Local Government Association. [https://www.local.gov.uk/sites/default/files/documents/3.70%20Rethinking%20local\\_%23councilscan\\_landscape\\_FINAL.pdf](https://www.local.gov.uk/sites/default/files/documents/3.70%20Rethinking%20local_%23councilscan_landscape_FINAL.pdf)

<sup>12</sup> Wills, Jane. 2020. *The geo-constitution and responses to austerity: Institutional entrepreneurship, switching, and re-scaling in the United Kingdom*. *Trans Inst Br Geogr.* 2020;1–16. DOI: 10.1111/tran.12387

### ***3. Should devolution in England use the reserved powers to bring it in line with devolution in the rest of the UK?***

Yes. Any devolution settlement based on a reserved powers model, would by definition incorporate anything not stated as a reserved power in any future devolution Acts. This would provide Britain's Leading Edge councils with the immediate competence to progress the objectives of subsidiarity aiming to tackle rural inequalities and realise opportunities for sustainable development at a local and regional level in any area not specifically reserved.

### ***4. To what extent should there be consistency in devolved and local governance within England, and to what extent is asymmetry necessary?***

Strategic authorities come in different shapes and sizes and to this extent, asymmetry in governance is necessary – and should not result in asymmetry of powers. Consistency in devolved and local governance arrangements is not required for the aims of devolution (empowering local democracy, levelling up) to be successful; rather parity of consideration for different models of place leadership is required. “The government must show genuine commitment to a range of different models of governance and be responsive to the creative solutions being developed in counties”.<sup>13</sup>

The “Levelling up” of economic performance at both local and regional level will require joint decision making and long term fiscal and policy decisions. There are no quick fixes or silver bullets as true levelling up will require long-term political commitment across a range of policy areas, including significant investment into the sustainable economic development of areas of the UK currently lagging behind and true devolution of responsibility for delivering against the levelling up agendas to the areas that need it. A modern approach to place leadership is required to ensure regional inequalities are tackled rather than further become further entrenched in the UK's future society.

### ***5. What is the purpose of current “devolution” deals and mechanisms? Are these purposes being achieved?***

The purpose of the current devolution deals has been to demonstrate that local authorities are in a stronger position to manage and deliver services and drive growth and productivity, whilst meeting the needs of local communities.

Cornwall, the only rural authority with a devolution deal, has proven its ability to fully utilise the powers afforded to it through the Cornwall Deal and has been recognised nationally in the recent UK2070 Commission report as one of the most advanced authorities in delivering its original commitments.<sup>14</sup>

Recent Nesta research into local government's response to Covid-19 has found that, during the first six months of the pandemic, local authorities worked in more agile, streamlined ways. Greater and new types of collaboration between councils, statutory partners, the third and private sectors and communities are achieving better outcomes for their people and places. Greater devolution from central government is providing local areas with longer-term funding commitments and greater flexibility to design policy for their local context. The local government response to Covid-19 has been nationally recognised as quicker, more flexible and more targeted than nationally coordinated

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<sup>13</sup> The devolution parliament: Devolving power to England's regions, towns and cities. IPPR North. February 2020. <https://www.ippr.org/files/2020-02/the-devolution-parliament-feb20.pdf>

<sup>14</sup> Make no little plans: Acting at scale for a fairer and stronger future. February 2020. UK2070 Commission. <http://uk2070.org.uk/2020/02/26/uk2070-final-report-published/>

responses and this experience further strengthens the case that local authorities are better placed to deliver services that meet the needs of their populations.<sup>15</sup>

Local capacity and partnerships drive innovation and ensure community wellbeing. Cornwall Council case studies show that, despite a decade of austerity, there is capacity and appetite for strategic leadership in local government. Councils are building partnerships and networks, listening to local citizens and working out how best to use the policy tools they have. Community Network Panels, which brought together elected members and town and parish councils, plus stakeholders in an area every few months. These were not formal decision-making structures, but local networks that helped tease out important local issues and identify local solutions that worked particularly well in many areas.<sup>16</sup>

Never has there been a time more pressing that requires government to be able to move quickly and agile. The devolution framework is an opportunity to break away from the default position of requiring a Combined Authority mayoral model, and see that, as is the case with Cornwall, alternative models can deliver whilst meeting the requirements of being accountable and transparent.

#### ***6. How should decisions on English devolution be agreed?***

A rebalancing of the central-local power partnership requires a change within Whitehall too – by organising itself to have a single conversation with places rather than Departmental silo's, and by giving local place leaders a formal voice within the UK's constitutional settlement. Local place leaders need a formal voice within the constitutional settlement to secure genuine ongoing dialogue and a permanent shift in the central/local power partnership.

#### ***7. How should the interests of different parts or regions of England be better represented to central government and in intergovernmental arrangements as well as in Parliament?***

Britain's Leading Edge stands ready to work with government to amplify the voice of peripheral rural areas without major cities, and would welcome the opportunity to give evidence to the committee.

Presently there is no formal requirement on Government to engage with local place leaders, other than the Devolved Administration. As such, regional engagement takes place according to the whim of the Government of the day. Currently, regional engagement is limited and, to the extent that it does take place, favours mayoral combined authorities over non-metropolitan areas. Extensive recent research reports consistently conclude that local place-based leadership has a key role to play in driving local economic growth. We would welcome formal structures to ensure that local government voices are more firmly embedded in central government decision making.

#### ***8. Is there a public demand for such structures/measures? On what basis should the form, geography and extent of devolved regions or areas be determined, and what should be the role of culture and identity?***

Public satisfaction with the integrity and representativeness of Local authorities as they currently exist underpins an incremental approach to English devolution without reorganisation of boundaries or the imposition of elected mayors. Extensive polling exists to demonstrate that there is no public demand

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<sup>15</sup> Codrina Cretu. A Catalyst for Change What COVID-19 has taught us about the future of local government. September 2020 [nesta.org.uk/new-operating-models-handbook](https://nesta.org.uk/new-operating-models-handbook)

<sup>16</sup> LGIU. 2020. Power down to level up: resilient place-shaping for a post-Covid age. <https://lgiu.org/wp-content/uploads/2020/10/Power-down-to-level-up-LGIU.pdf>

for additional structures based on local or regional geographies to facilitate the immediate progress of English devolution.<sup>1718</sup>

While there is no public appetite for additional governance structures, there is evidence that there is public demand for more local control over decisions, particularly in peripheral areas. For example, Warwick Economics recent survey of people living in areas with devolution deals, carried out on behalf of Government, found that people in Cornwall are most likely to agree that too many decisions affecting their area are taken outside it (64%).

We seek an incremental approach that works with the affections and affiliations of the people. This is the lived geography that helps people describe their place in the world.

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<sup>17</sup> Henderson, A. et al. 2020. Analysing vote choice in a multi-national state: national identity and territorial differentiation in the 2016 Brexit vote. *Regional Studies*, article number: <http://dx.doi.org/10.1080/00343404.2020.1813883>. (10.1080/00343404.2020.1813883)

<sup>18</sup> Henderson, A. et al. 2016. England, Englishness and Brexit. *Political Quarterly* 87(2), pp. 187-199. (10.1111/1467-923X.12262)