



HOW CAN THE CENTRAL SOUTH
BENEFIT FROM THE
GOVERNMENT'S NEW
DEVOLUTION PLANS?

Online Seminar Notes: 9th July 2020

'How Can the Central South Benefit from Government's New Devolution Plans?'

Panel Members

Stewart Dunn, Chair, Southern Policy Centre
Professor John Denham, Director, Southern Policy Centre
Mark Sandford, Senior Research Analyst, House of Commons Library
Nick King, Centre for Policy Studies
Cllr Vikki Slade, Leader, Bournemouth, Christchurch and Poole Council

Presentations:

1. Professor John Denham, Director, Southern Policy Centre

A White Paper is expected before the end of the year which will include measures for local areas to lead local economic recovery; empower local communities to play a role in health and education of their areas; facilitate local government reorganisation where there is a local need and demand; and introduce more elected Mayors where local areas are supportive.

There has been a perception that this region has been 'losing-out' due to a lack of coherent narrative, and this has also impacted on inward investment to the area.

As part of Southern Policy Centre's ongoing work on strategy and delivery in the central South, this seminar has been arranged to consider how the central South can be prepared to take advantage of any new opportunities created by the White Paper and government policy.

SPC's research has identified an underlying strong narrative for the central South, with shared opportunities and challenges. It is important that we recognise and capitalise on our key assets including our coastal and gateway positioning, natural environment, connectivity to UK and wider world, and our research and Higher Education base. We also need to be clear about the economic challenges to the area.

'The central South'?

- Three waterfront cities: complementary economies and ambitions
- 6 universities
- Large and (potentially) interconnected population
- Strong cultural offer
- Set in distinctive natural environment
- Gateway region
- Important links with South West/NE Hants/Surrey/Thames Valley/London
- Good fit to emerging government priorities

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BARKER-MILL ESTATES

The SPC's analysis has concentrated on the evidence for the central South as a functional area. Its boundaries are inevitable fuzzy and the SPC has argued that the most important discussions should be about collaboration rather than re-organisation.

- This seminar is an opportunity to understand more clearly what type of devolution might be on offer and what this might mean for a shared strategy for the region, which powers and resources we would like to gain and how Local Authorities, LEPs and wider organisations can best work together.

2. Mark Sandford, Senior Research Analyst, House of Commons Library

There has been a certain 'volatility and contractualism' in the approach of government departments to devolution, often seen as decentralised administration of government priorities rather than locally devolved decision-making. However, there has been renewed interest in devolution through Prime Ministerial support and also the visible response to COVID by Elected Mayors.

However, Government has been inconsistent. Recently, other government funding and grants have been introduced outside of combined authorities (e.g. Transforming Cities transport funding and Housing grants) and these have disrupted devolved arrangements.

Whilst no clear and consistent national model has yet been proposed, a local narrative will be important, including the local powers that are needed and what they will achieve (i.e. what could be done better than through the existing mechanisms).

Regarding the imminent White Paper, details are currently being worked up. However, a number of features are likely:

- It will be a voluntary process, and local government re-organisation is unlikely to be imposed, but may be required alongside elected Mayors for more ambitious deals;
- Restructuring may be encouraged to incorporate population areas of c 3-400,000;
- Finance available is unlikely to be sufficient for local demands, and devolution will not be a solution to local authority funding challenges. The focus will be on economic growth;
- Benefits of devolution are likely to be longer-term, not seen as an answer to immediate recovery challenges;
- The UK Shared Prosperity Fund post-EU funding (title likely to change) will be available to Elected Mayors;
- 'Levelling up' will remain a feature, with North/South economic re-balancing priorities.

The following themes are likely to be included:

- Skills, education and apprenticeships;
- Planning and housing;
- Employment and business support;
- Arrangements for rail;
- Health and wellbeing.

3. Nick King, Centre for Policy Studies

There is renewed government support for devolution for a number of reasons:

- The need to 'level up' and re-balance the economy;
- Devolution's centrality to the Brexit agenda, with greater self-government of cities;
- Boris Johnson's belief in Mayors through personal experience.

Ministers worry over how to address the growing local authority funding gap. Some consider that reorganisation will deliver savings, and there is a recognition by some departments of the limits of centralised control, although others (notably DHSC) see the answer to problems manifested in the national COVID response as greater centralisation. There is a hope that devolution will help stimulate recovery.

The current complex pattern of English local governance is seen as a problem: it is confusing for local voters, seen in Whitehall as expensive, and there is a worry that it will not deliver the economic growth needed. This will require reform, in particular, to respond to today's economic agenda.

The Government supports the concept of Mayors, believing that the current crop has used devolved powers and funding well, and that they deliver a clear accountability. The 2017 Conservative Manifesto stated that Mayors were not appropriate for rural areas; it remains to be seen whether the White Paper will take that line.

Overall, indications are that the Government may take a more assertive line this time around, although there appear to be tensions, for example through a desire to give weight to local opinion, and to carve out a role for towns and parishes. That may manifest itself as a more 'carrot & stick' approach, with incentives for those adopting a devolved model, but the possibility that those not responding may get a less good 'deal'.

The White Paper is likely to:

- Move us towards greater clarity and consistency;
- Seek simplification of structures and so savings, with greater emphasis on preferred structures for local leadership;
- Articulate an ambition for more elected Mayors

Pan-Regional Partnerships are likely to feature strongly in new governance models.

4. Cllr Vikki Slade, Leader, Bournemouth Christchurch and Poole Council

It is important that we learn from local lessons, and Bournemouth, Christchurch and Poole's (BCP's) genesis is instructive. It was contentious in Poole and Christchurch and seen as a Bournemouth 'takeover'. Disquiet led to an unforeseen electoral outcome in 2019 when Conservatives were seen as "responsible" for driving through unwanted change, with voters putting other parties into power. There was a real fear, which remains, that the creation of a larger, more powerful entity has destroyed smaller distinct local identities.

Devolution should not undermine existing complex pan-regional relationships. Devolution on too large a scale will lose the sense of place and identity which is so important. The BCP experience suggests we need a model for devolution which will not damage the local narrative and sense of identity.

If some sort of 'central South' devolution deal is sought, it would need to address what matters to the area, and not a centralised set of priorities. For BCP that would suggest a focus on skills, local control over business rates to support the economy, longer-term certainty over funding to allow medium-term planning and greater local control over strategic planning, rather than, for example, centralised housing targets.

Regarding Elected Mayors, this might work for a geographically tight and relatively homogenous place such as Bristol, but it would be difficult for one Mayor to genuinely represent and have the confidence of all diverse communities across the

central South. The priority should be on building collaboration through a pan-regional partnership, rather than a Combined Authority model for the central South

Points Emerging from Discussion:

1. Local Positioning

A strong growth story unique to the area is urgently required. Government rhetoric and support is stronger than for some time, so the Central South needs to capitalise on this apparent willingness through a clear, well-evidenced and articulated proposal which builds on shared priorities and strong partnerships. This local narrative, the basis of which already exists in plans and strategies, should be agreed and articulated.

2. Levelling -Up': 'Making the Case and De-coupling' from London

The Government's intention to re-balance and 'level-up' the economy is clear but is set on perspectives of disparities of the North and South of the country, and leaves our area in the broad 'South East, aligned with London. There is a strong levelling-up requirement for the southern coastal communities which needs to be clearly and powerfully articulated to Government: levelling up is not simply a North/South issue, and the distinctive economy and identity of the central South should be emphasised.

3. Infrastructure 'Asks'

A 'big and bold' infrastructure proposal /set of proposals will be required, which does not just re-articulate what others have negotiated (e.g. Manchester) but is specific to the area's economic growth - this could be through a regional 'Operational Narrative' or 'Business Plan'. This must be the basis for distinctive 'asks' of Government. The priorities advocated should be those that matter to the area, whilst also acknowledging Government priorities (housing, jobs etc.),

4. Porous Boundaries

Devolution should not be an administrative exercise, based on boundaries which are not relevant, but local leadership and structures need to address key challenges across the functional economic area(s). This is particularly relevant for businesses that do not operate within set boundaries, Pan

Regional Partnership models might better support existing democratic arrangements and allow of a more pragmatic approach to intra- and inter-regional collaboration.

5. Devolution, not De-centralisation

The area needs to push for devolved powers and decision making rather merely administrative decentralisation to deliver central targets. This will only be possible through a compelling case, track record of delivery and good governance models.

6. Components of a Deal

A number of potential components for a deal were raised, including digital connectivity and digital skills; creating and supporting 'jobs for tomorrow', and the ability to raise and retain local revenue

7. A Green Recovery

There was a shared recognition that we have an opportunity to shape a local recovery which adopts a more integrated approach to meeting our region's economic, social and environmental challenges. Lessons from lockdown could help us shape a model which acknowledged the unique character of our natural environment.

Summary and Points for consideration

The work to date and input from this Seminar has indicated that there is now an opportunity for more radical regional action. Other areas will be on the 'front foot' and respond to the White Paper promptly, and the region needs to be prepared.

Local discussions need to be based on what could be achieved through a shared agenda, rather than beginning with a debate about structures and reorganisation. A strong and unified voice will be required to make our case. We should build on existing networks and partnerships, and encourage closer collaboration in some sectors, including Higher and Further Education.

Consideration of models for the Central South should perhaps include a 'pan-regional partnership' as well as options for Combined Authorities. It will be important to draw on existing models including the Western Gateway and Cambs/Peterborough).

Political support (MPs) will be essential, and it will also be vital that we present a strong alliance of business and community leaders. In considering other successful devolution bids, Ministers have shown as much interest in whether localities have a

clear 'business plan' for delivering their ambitions as they have in the nature of the ambitions themselves.

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