

## Additional Briefing Paper 1

# Where does devolution policy come from?



*Adapted from: House of Commons Library (2015). [Devolution to local government in England](#).*

Following the 'no' vote in the September 2014 Scottish independence referendum, the Prime Minister announced proposals for additional devolution to Scotland, Wales and Northern Ireland. But he also said:

It is also important we have wider civic engagement about how to improve governance in our United Kingdom, including how to empower our great cities.<sup>1</sup>

A number of reports in the lead up to the independence referendum had made proposals for the transfer of additional powers to local authorities or to local areas in England. The 2012 report [No Stone Unturned: in Pursuit of Growth](#) ('the Heseltine report') recommended the merging of various funding streams to provide much greater local responsibility for economic development. Other reports highlighted the need to improve efficiency in public service provision given continuing reductions in local government funding. Proposed changes include:

- Giving new powers in specific policy areas to local authorities;
- The transfer of additional budgets alongside those powers;
- Enhanced power over local taxes (council tax and business rates), additional local taxation powers, and more flexibility around borrowing and financial management;
- The creation of combined authorities and/or directly-elected mayors.<sup>2</sup>

The first 'devolution deal' was announced by the Government and the Greater Manchester Combined Authority in November 2014 (see Additional Paper 2 for more details). Further deals followed with Sheffield (December 2014 and October 2015), West Yorkshire (March 2015) and Cornwall (July 2015). Additional powers for Greater Manchester were also announced in February 2015 (relating to health and social care) and in July 2015.

Following the 2015 General Election, the Chancellor, George Osborne, gave a speech on 14 May in which he said that a 'Cities Devolution Bill' would feature in the 2015 Queen's Speech:

... a central part of our Queen's speech will be a bill to enable a radical new model of city government.

Here's the deal:

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<sup>1</sup> See BBC, [David Cameron's statement on the UK's future](#), 19 September 2014

<sup>2</sup> See the Library briefing papers on [combined authorities](#) and [directly-elected mayors](#).

We will hand power from the centre to cities to give you greater control over your local transport, housing, skills and healthcare. And we'll give the levers you need to grow your local economy and make sure local people keep the rewards.

But it's right people have a single point of accountability: someone they elect, who takes the decisions and carries the can.

So with these new powers for cities must come new city-wide elected mayors who work with local councils.

I will not impose this model on anyone. But nor will I settle for less.

London has a mayor.

Greater Manchester has agreed to have a mayor as part of our Northern Powerhouse - and this new law will make that happen.

My door now is open to any other major city who wants to take this bold step into the future.

This is a revolution in the way we govern England.<sup>3</sup>

The *Cities and Local Government Devolution Bill 2015-16* will put various aspects of the devolution deals into law.

The Government continues to place a priority on devolution:

3.15 The government is committed to building strong city regions led by elected mayors, building on the ground-breaking devolution deal with Greater Manchester in November 2014. The Chancellor has asked all relevant Secretaries of State to proactively consider what they can devolve to local areas and where they can facilitate integration between public services.....

3.16 As part of the Spending Review, the government will look at transforming the approach to local government financing and further decentralising power, in order to maximise efficiency, local economic growth and the integration of public services.<sup>4</sup>

### **Why this matters for Hampshire and the Isle of Wight?**

The government required local areas to make their proposals to government by early September to have them taken into account in the Autumn 2015 Spending Review. The Leaders of the various local councils in Hampshire and the Isle of Wight, the Chairs of the two Local Economic Partnerships and the two National Parks met this deadline. They jointly submitted [\*Devolution for the People of Hampshire and the Isle of Wight: A Prospectus for Discussion with Government\*](#) (more details in Additional Paper 3).

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<sup>3</sup> HM Treasury, ["Chancellor on building a Northern powerhouse"](#), 14 May 2015

<sup>4</sup> HM Treasury, [A country that lives within its means](#), 2015, p. 15