

IFG INSIGHT | DECEMBER 2021

# How to make a success of county devolution deals

Akash Paun, Alex Nice, Lucy Rycroft

---

## Summary

In July 2021 the prime minister announced that the government would negotiate 'devolution deals' with county areas to meet its manifesto pledge to deliver 'full devolution' in England.

County deals are also intended to help the government achieve its levelling-up objectives of reducing regional disparities in economic and public service performance, and strengthening local leadership and local pride.

The government has also set out some core principles including that county devolution must be accompanied by stronger local leadership, improved efficiency and joining-up of services, and that it will "operate across a sensible economic geography of a suitable scale and one based on local identity".<sup>1</sup>

Since then several county councils and unitary authorities in rural areas have submitted initial devolution proposals to Whitehall. Local leaders in county areas want parity with mayoral combined authorities in metropolitan areas, with devolved powers in areas such as transport, skills, housing, health and long-term infrastructure funding.

Negotiations have begun but little is publicly known about how this process is unfolding. This paper, published ahead of the government's long-awaited levelling up white paper, presents a set of conclusions about how to make a success of county devolution deals.

---

Progress will depend in the first instance on consistent government commitment.

- **Central government should build upon the principles it has announced for county deals** by publishing a 'devolution framework' setting out the parameters within which deals will be agreed. Some local leaders still feel they are operating in the dark and are reluctant to spend time and political capital developing proposals that may go nowhere.
- **Strong cross-departmental leadership will be required in central government.** The levelling-up department headed by Michael Gove is taking the lead, but the support of the Treasury in particular will also be vital for ambitious devolution deals to be concluded.

In addition, we highlight a number of factors that local leaders should take into account.

- The government sees devolution as a means to other ends. So to secure ambitious deals, counties need to **persuade central government that they can improve outcomes on the indicators that matter to ministers**, particularly those relating to levelling up and net zero.
- County areas must also **show how their proposals will lead to decisive and accountable local leadership**. Ministers' preferred governance model includes a directly elected leader. This idea is unpopular within local government – but places that do not accept a mayor may be offered fewer powers.
- Counties that can **demonstrate local support for their proposals** will gain more traction in negotiations. This includes among voters, MPs, business and all tiers of local government within their area. Local backing will increase the chances that further powers will be devolved over time.
- **Counties that get the fundamentals wrong may find that central government is willing to take back devolved powers further down the line.** They must therefore pay close attention to factors like geography, governance, local political buy-in and effective scrutiny.

## Introduction: County deals and the path to 'full devolution across England'

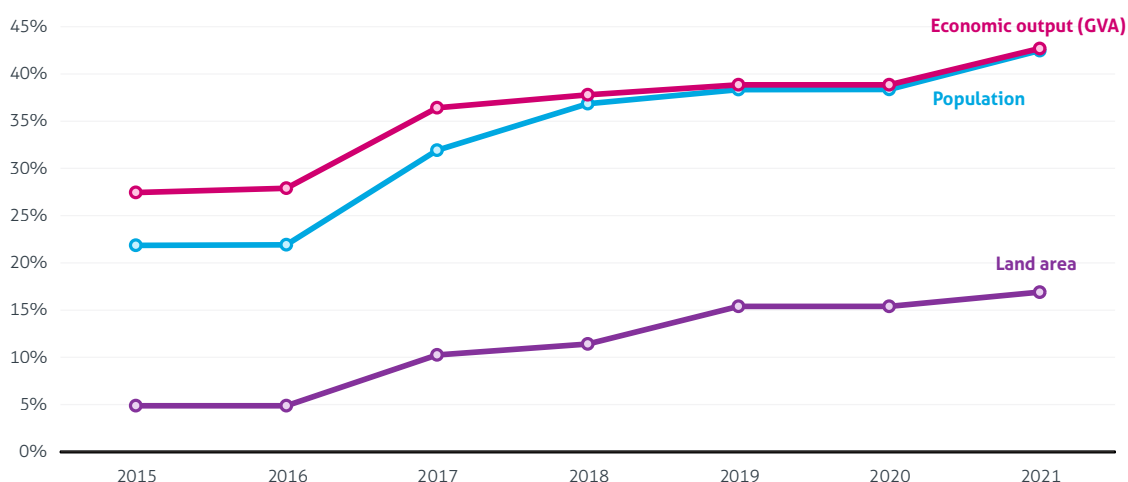
Since 2014 successive Conservative-led governments have devolved economic and public service functions to many parts of England. But this has been a predominantly city-focused agenda, informed by the view that cities are “the main drivers of economic growth in an increasingly knowledge-driven, global economy”.<sup>2</sup> Powers have been granted primarily to new 'mayoral combined authorities' (MCAs) in major metropolitan areas such as the West Midlands and Liverpool City Region.<sup>3</sup>

Only one two-tier county area (those with a division of functions between the county council and several district councils) has gained devolved powers in this period: in 2017 Cambridgeshire County Council concluded a mayoral devolution deal along with its five districts and the neighbouring unitary authority of Peterborough City Council.

In addition, two large unitary councils in county areas (where there is only one tier of local government exercising all functions) have gained some devolved powers.\* Northumberland became part of the North of Tyne MCA in 2018, and Cornwall gained some powers, including over transport, health and distribution of EU structural funds, in a non-mayoral devolution deal in 2015.<sup>4</sup>

The other 23 county councils and 57 unitary authorities, 14 of which are classified by the government as “predominantly rural”,<sup>5</sup> remain responsible only for the narrower set of functions conferred by central government on local authorities. As a result 58% of England’s population, across 83% of its land area, live in areas with no devolution deal (see Figure 1 and map in annex).

Figure 1 **How much of England is covered by devolution deals?**



Source: Institute for Government analysis of ONS, Population estimates, 2015-20 and forecast figures for 2021; ONS, Regional gross value added, 2015-19 (with subsequent years using 2019 data); ONS, Open Geography Portal, standard area measurements (2019) for administrative areas in the UK. All data includes Greater London.

\* Cornwall and Northumberland, along with three other formerly two-tier county areas, formed unitary authorities at the county level in 2009.

---

At the 2019 general election the Conservative manifesto committed to addressing this imbalance, with a pledge to achieve “full devolution” across England.<sup>6</sup> Progress has been slow but in July 2021 the prime minister announced that the government would negotiate devolution deals with county areas, involving the transfer of powers over functions such as transport, housing and skills. He invited local leaders to “come to us with a plan for strong accountable leadership and we will give you the tools to change your area for the better”.<sup>7</sup>

At the same time the then housing and communities secretary, Robert Jenrick, wrote to local leaders setting out the principles that would guide the process. These included a requirement that devolution be accompanied by stronger local leadership and “demonstrable improvements in governance, efficiency and local service join-up”. County deals will also be negotiated based on “sensible economic geography”, at a sufficient scale for devolution of economic functions to make sense, but also based on boundaries that reflect local identity.<sup>8</sup> This is a change from the previous focus on devolving to “functional economic areas”.<sup>9</sup> It is also understood that deals will be negotiated with upper-tier authorities: county councils, unitary authorities or in some places a combination of the two.<sup>10</sup>

In response, many county and unitary councils have developed proposals for how devolution might work. Ministers and officials in the new Department for Levelling Up, Housing and Communities (DLUHC) are reviewing these initial submissions. The government is expected to announce – probably as part of the forthcoming levelling up white paper – a first wave of pilot deals that will be negotiated. But little has been said publicly about how the process will work or what powers are on offer.

To inform the debate on county deals and to highlight what both central government and county leaders should do to advance the process, the Institute for Government hosted a private roundtable on 22 November 2021, in partnership with the County Councils Network (CCN) and Grant Thornton UK LLP. This discussion brought together local leaders, Whitehall officials, business representatives and other stakeholders. This paper is based on the discussion at that event and accompanying research.

## **The government should publish a devolution framework that provides more clarity about what it wants from counties**

A firm view among participants in our roundtable was that the government should provide more clarity about what it is asking of counties.

Between 2014 and 2016, when the first wave of devolution deals was concluded, many county and unitary councils also submitted proposals.\* However, most of these made little progress, in part because of the government’s focus on metropolitan areas and preference for MCAs, but also because many county areas felt they were shooting in

---

\* Following the devolution deal with Greater Manchester in 2014, a further nine agreements to establish combined authorities in metropolitan areas were agreed. The government also reached a devolution deal with Cornwall. A further 28 proposals were not taken forward. Only one successful devolution proposal, which resulted in the Cambridge and Peterborough Combined Authority, involved a county council.

---

the dark. One participant recalled his involvement in an unsuccessful negotiation. The problem was that “people did not understand the parameters” and the government simply invited counties to “come and negotiate”, without providing a sense of direction.

Some of those who had tried to engage with the devolution process in the past had been left bruised. One described how local partners tried hard to make a deal happen, only for central government to repeatedly change its mind about the geographical scale it wanted the proposed combined authority to cover. The result was two wasted years with “nothing to show for it”.

There was still a desire to make a success of county devolution, but this was combined with concern that time and resources would be wasted developing proposals that would go nowhere, unless government set out a clearer framework. It could be “chaos” if government just “lets a thousand flowers bloom”, said one participant.

In another area of England, local leaders had recently developed an ambitious vision for a potential devolution deal. However, since they were unsure of what was expected of them, they chose to just put forward a long prospectus of what they would like to get, while leaving key questions about governance unanswered. In this way, they hoped to elicit a response from Whitehall that would give them a clearer steer on what was required. Another senior figure felt the problem was that the government itself did not yet know what successful county deals would look like.

The consensus was that inviting proposals in a bottom-up way was sensible, given that local appetite for devolution varies, so local leaders valued the opportunity to shape the process. The broad principles set out by Jenrick in July were also seen as helpful, as was Michael Gove’s commitment that the government would “build on” them in its forthcoming levelling up white paper.<sup>11</sup> This should involve the publication of a proper devolution framework, which sets out a clear set of options and conditions for county deals. Without this, some local leaders fear they may be “barking up the wrong tree”, and remain wary of committing resources to the process until the government’s position becomes more clearly defined.

## **Strong cross-departmental leadership – including from the Treasury – will be required for county deals to succeed**

The agreement and implementation of county deals will by necessity be a cross-departmental process. Depending on the precise proposals counties bring forth, the process is likely to involve not only DLUHC, but also the departments for transport (DfT), education (DfE), business (BEIS), health and social care (DHSC), and the environment (Defra). The success of this agenda will therefore depend on whether those leading the process have the political and administrative clout to drive action across Whitehall, which many in local government perceive to be instinctively sceptical about devolution.

---

Since the reshuffle and government reorganisation announced in September 2021, DLUHC is in the driving seat of the process, as part of the wider levelling-up agenda. Former Whitehall insiders wondered whether this department was powerful enough to bring other departments along. DLUHC is seen as clearly more powerful than its predecessor, the Ministry of Housing, Communities and Local Government. And in Michael Gove, the department has a powerful secretary of state who has been empowered by the prime minister to take this agenda forward and is seen as a genuine pro-devolution voice. One participant argued that this appointment showed the prime minister's backing for devolution, given Gove's reputation as an 'energetic' minister who makes change happen.

Gove has himself noted the importance of DLUHC driving a cross-Whitehall approach to levelling up, in a similar way to the leadership role on net zero that BEIS has taken within government.<sup>12</sup> He has proposed the creation of new cabinet committees that have the high-level leadership and convening power to ensure co-ordination between departments.<sup>13</sup>

Nonetheless, the commitment of the Treasury to the county devolution process was seen as crucial, since county areas will be seeking additional fiscal flexibilities and resources. During the 2014–16 period, the rapid progress on devolution to city regions was driven by the Treasury under George Osborne. One participant worried about the "silence on devolution issues" from the current Treasury under Rishi Sunak. He cautioned that "unless they are very much behind this, not much will happen in the near term".

## **Counties want parity with mayoral combined authorities – but what that would mean is unclear**

County representatives at our roundtable felt strongly that devolution deals should at a minimum offer counties parity of status with MCAs. As one put it: "I want to be in the Premier League, not in the Championship. I don't think we should have fewer powers than an MCA."

However, it is not clear precisely what parity with metropolitan devolution agreements would mean, since different MCAs hold different powers. One participant suggested that government should provide a "core offer" that would form the basis of negotiations with counties. Based on the powers of most MCAs, this could include:

- a long-term investment fund
- devolution of the adult education budget
- an enhanced role in designing local employment programmes
- increased powers over transport and bus franchising
- a greater role in business support and economic development, taking over the functions of local enterprise partnerships

- 
- housing and planning functions, including compulsory purchase powers, the ability to establish development corporations, and the power to create a spatial strategy for the area.

Several participants argued that county deals should go further than MCA deals, on the basis that county and unitary councils already handle a greater range of devolved services and powers than metro mayors. For example, counties are responsible for adult social care, so could be well placed to take on greater health responsibilities. In Hampshire, for instance, the county council has published an ambitious 'Pan-Hampshire' devolution vision, which includes a proposal for health and social care integration, with the county having joint oversight of a "£800m NHS community care and adult social care services budget".<sup>14</sup>

## **Counties seek additional funding and budgetary flexibility to allow them to transform the prospects of their areas**

Along with devolved control of certain existing funding streams, county leaders want greater fiscal freedom from centrally imposed rules, including long-term funding that they can allocate based on local decision making. This funding should have both capital and revenue (operational) elements, to support spending on infrastructure projects and to cover additional operational costs.

The experience of MCAs shows that even when places accept a mayoral model, central government does not easily relinquish its control of spending. MCAs have few revenue-raising powers of their own. They are largely dependent on central grants that are often tied to delivery of specific projects or outcomes that must be agreed with the government. For example, in the 2019/20 financial year almost two thirds of the West Midlands Combined Authority's funding came from central government grants.<sup>15</sup>

However, what the MCAs do all have is control of flexible investment funds, which can be used for both capital and operational spending. These are long-term grant allocations, paid out over 30 years. The grants are intended to support projects to drive long-term productivity improvements, but they are not hypothecated – the metro mayors and combined authorities can choose how they invest them, subject to five-yearly 'gateway reviews' conducted by the Treasury.

These funds are relatively small in the context of total public spending: the Institute for Government has calculated that, on average, they allow each MCA to spend just £17 per person per year.\* However, we heard that these grants add a useful degree of flexibility and allowed mayors to "build up a project from different pots of money", by stitching together funds from more tightly ring-fenced funds into a coherent package, for instance for regeneration of a specific area.

---

\* The annual investment grants are not inflation linked, so their real value will decline over the 30-year funding period.

---

However, a number of people in local government worried that the government had moved in the wrong direction as far as fiscal flexibility was concerned by creating a growing array of competitively allocated pots of money, such as the Community Ownership, Community Renewal, Shared Prosperity, and Levelling Up funds. These take up substantial resources to apply and account for and further restrict local spending flexibility.

Speaking at the CCN conference on 22 November 2021, Gove recognised this problem, stating that “there are too many funds”. This followed his previous admission that “there needs to be some simplification and rationalisation of the process overall”.<sup>16</sup> The negotiation of county deals could be one route by which this problem of funding fragmentation is addressed.

One participant argued that simple delegation of spending by central government to county areas would not be transformative: “If ministers want to make any difference, they need to let go of the money.” Others called for more place-based “pooled budgets” across departmental silos, perhaps moving back towards the Total Place initiative trialled under the last Labour government.<sup>17</sup> In exchange for greater fiscal flexibility, central government will likely want evidence that devolution will lead to greater innovation and joining up of services, as well as administrative efficiency.

## **Counties must show how devolution will help central government achieve its levelling-up and net zero objectives**

Central government has not asked counties to provide a detailed business case for devolution, but rather to set out a vision that explains which powers are sought and to what ends. Each county area therefore has an opportunity to influence the scope and structure of any devolution deal they may ultimately conclude.

But local leaders should also be realistic. The government largely sees devolution as a means to other policy ends – ‘devolution with a purpose’, in particular with regards to levelling up and net zero – rather than an end in itself. So local leaders will have to convince decision makers in Whitehall that devolution will indeed contribute to achieving these objectives. Participants discussed what this would mean in practice. One thought counties should aim to develop a robust “outcome-based agreement with government” that explained which levers local leaders needed to improve performance, and how performance would be evaluated.

Another point was that the levelling-up agenda was broader in its objectives than the metropolitan devolution process begun by David Cameron and George Osborne. One participant argued that while previous devolution deals were judged solely on their likely impact on productivity and jobs, the government was now speaking in terms of how to deliver a “healthy and sustainable recovery”. This suggested counties should frame their proposals in terms of how devolution could help improve a wider set of outcomes than purely economic metrics.

---

\* The Total Place initiative was initially trialled in 2009 under the New Labour government as part of Lord Richard’s Operational Efficiency Programme. It aimed for a more joined-up ‘whole area’ approach to public services.



---

It was also pointed out that the government had published an updated list of “priority outcomes and indicators” as part of the recent spending review, providing a helpful insight into the metrics that would be at front of mind across Whitehall.<sup>18</sup> These include commitments to reduce inequalities in health, skills and life chances, as well as standard economic performance indicators.

Others felt that since the Treasury would need to sign off on any deals giving greater spending powers and freedoms to county areas, the ultimate test was still whether devolution proposals could improve growth. The point was also made that “all the other things we want to achieve depend on economic growth”, so a focus on productivity still made most sense.

The government is clear that levelling up means reducing place-based inequalities. As Gove put it to the Conservative Party conference in September: “We will raise living standards... especially where they are lower. We will improve public services... especially where they are weaker.”<sup>19</sup> So counties will need to show not just that they can raise the overall performance of their areas, but also that they will use devolved powers and fiscal flexibilities to reduce inter- and intra-regional inequality. This could require, for instance, commitments as to how county areas will reallocate resources to those places that are most in need.

The government’s commitment to reaching net zero by 2050 was seen as a further opportunity. One county leader said this would be a big difference between county deals and the metro deals concluded over the past few years. A narrow focus on growth would be “really missing something”. Counties could set out how they will help their areas move towards greener public transport and housing, for instance by managing investment in electric vehicle charging networks and home insulation, and could take on greater responsibility for other environmental functions such as flood risk management.

## **Counties have to demonstrate how they will strengthen leadership – or else the devolution offer may be limited**

The government has made clear that counties seeking an ambitious devolution deal must provide evidence of “strong local leadership”,<sup>20</sup> a condition it appears to believe is most easily met by establishing a directly elected leader, although there is recognition that this may not be appropriate in all areas.<sup>21</sup>

The government’s view is that the direct mandate a mayor holds from voters gives him or her a higher profile and makes them into a clear focal point for accountability. Mayors are also perceived to have greater convening power and the ability to join up across different council areas and public services, for instance to address complex problems such as rough sleeping. As one roundtable participant pointed out, recent experience also suggests that mayors wield more influence in negotiations with Whitehall and are able to secure investment and additional devolved powers that benefit local people.

---

There are two different mayoral models that could form part of county deals. The first is the 'combined authority mayor', who sits at a level above a number of local authorities in the area. This is the model adopted in metropolitan areas such as Greater Manchester. The second is the 'directly elected council leader' of the county or unitary authority, who takes on executive control of local government functions. This model has been adopted in unitary councils including Bristol, Doncaster and Leicester, but not by any county councils.

Many at our roundtable expressed frustration at the government's pressure on local areas to accept a mayoral model. One argued that the government has not provided convincing evidence to support its contention that a directly elected mayor is more accountable than existing local governance structures or can better support delivery.

A widespread view among county leaders is that mayors are a form of government suited to cities rather than to the more complex geography of non-metropolitan regions. The preferred approach is to build upon the existing 'leader and cabinet' model at the county or unitary council level, in which the council is led by the leader of the majority party (or coalition), who appoints a cabinet or executive that is jointly responsible for the delivery of services.<sup>22</sup> Several people felt the government's position overlooks the fact that in many counties local residents already view the head of the council as a strong leader who provides accountability. A recent report by Grant Thornton for CCN also outlined that there are ways to strengthen the leader and cabinet model – for instance, through the creation of new 'non-statutory boards' to co-ordinate activity across different local partners.<sup>23</sup>

Participants also argued that there are many examples of councils and other local partners co-operating effectively under existing arrangements. "Our model works," said one. In Nottinghamshire, for instance, the county council, seven districts and the unitary Nottingham City Council published a joint Vision for Change in October 2021. This document highlighted various existing mechanisms by which the local partners worked together at present, including an environmental strategy group and a joint economic prosperity committee that would be the governance vehicle for devolution.<sup>24</sup> Another example is the devolution monitoring board in Cornwall, which has brought together council representatives, the local enterprise partnership, the NHS, local MPs and Whitehall officials.<sup>25</sup>

A further concern was that mayoral elections could produce unexpected outcomes, for instance the election of mayors from a different party to the dominant party of local government in the area. This could lead to conflict and weaker rather than stronger leadership. The leader of Kent County Council also recently argued that "council leadership is at least as stable and durable as national leadership (and much more so than typical ministerial tenure)".<sup>26</sup>

Both Gove and his predecessor, Jenrick, have stated that the government would consider proposals for governance models that did not include any form of directly elected leader.<sup>27</sup> However, it appears likely that areas that are unwilling to adopt such a model may find that they are offered fewer powers and flexibilities.<sup>28</sup> To secure

---

meaningful devolved autonomy, these places will have to work hard to demonstrate how their proposed alternative governance structures will provide the level of accountability, stability and strategic vision central government is looking for.

## **County deals will be based on a new approach to defining “sensible economic geography”**

County leaders argue that there cannot be a one-size-fits-all model for devolution. Recent statements suggest the government acknowledges the importance of a flexible approach. Whereas past devolution deals have talked about devolution to “functional economic areas”,<sup>29</sup> the government says county deals should instead be based on a “sensible economic geography” that takes into account local identity and existing administrative boundaries.<sup>30</sup>

This approach was regarded at our roundtable as playing to the strengths of counties, given the affinity many people feel for their home county and the many public services that are already organised at county level.

But sensible economic geography will look different in different parts of England. Analysis by Grant Thornton identifies five potential configurations for a county deal based on this new definition of sensible economic geography. These are:

- A single county unitary authority (as in Cornwall or Dorset)
- A single county with constituent districts (as in Surrey or Suffolk)
- A county council with adjacent unitary authorities (as, potentially, in Lincolnshire)
- A county surrounding a unitary town or city (as in Nottinghamshire or Derbyshire)
- Multiple unitary authorities (as, potentially, in Cheshire).<sup>31</sup>

The most appropriate governance model might well also vary according to local geography. However, as discussed, the government is likely to hold a tough line in negotiations over governance arrangements. Counties will need to persuade Whitehall that their proposals will deliver strong and decisive leadership. This may be particularly challenging in areas where deals are being negotiated with several upper-tier authorities, such as multiple neighbouring unitary councils. In such cases, but not elsewhere, Grant Thornton concludes that a mayoral combined authority may be most suitable.

In two-tier areas, the expectation is that the government will negotiate with the county council as lead strategic authority for the area. However, in some places the political dynamics between county and district authorities may still complicate negotiations.

One participant noted that devolution deals could be derailed if the government makes a deal contingent on the support of all the local district councils. This person cited the East Midlands, where there are 27 local authorities. Someone else argued that if unanimous support were required for a county deal then district councils might “hold counties over a barrel” to secure spending commitments. Another participant said they

---

could not support a deal that gave districts equal voting rights with the county council, given that the latter controls the large majority of local spending.

Given these considerations, unitary authorities may find it easier to conclude ambitious devolution deals, whether alone or in partnership with neighbouring authorities. In two-tier areas, the challenge will be to construct a governance structure that accommodates the interests of both county and district councils. Unitarisation of some counties could simplify devolution negotiations and implementation, although local government reform is invariably contentious and time-consuming, so in itself could introduce delays into the process.

## **The success of devolution depends on building local support – from voters and other stakeholders**

In contrast to devolution to Scotland, Wales, Northern Ireland and London, devolution to city regions has not been subject to local referendums. Deals have been negotiated in private between local leaders and central government, and implemented once they secure the support of the constituent local authorities. This process, which was criticised by the then Housing, Communities and Local Government Committee for its “secretive nature” and “lack of transparency”, is likely to be how county deals are agreed.<sup>32</sup>

County and unitary councils should therefore consider how they will build local support for devolution deals. If the public do not understand the devolution process and there is inadequate consultation, there is a risk that any deal will lack democratic legitimacy, especially if the deal involves the creation of new institutions such as a combined authority or mayor.

At our roundtable, several participants argued that counties should ensure there is a mechanism through which voters are informed and consulted about the process. This would build legitimacy and could empower local leaders in negotiations with the centre. One participant pointed out the example of the ‘Stand Up for Cornwall’ campaign, in which Cornwall County Council conducted a survey to identify what local residents wanted to see from a devolution deal.<sup>33</sup>

When considering how to involve the public, one participant highlighted the need to ensure that the language used in the county deals debate is comprehensible to voters. Local authorities and central government should avoid reliance on “technocratic language” in public debate and communicate a clear message and vision to the public that articulates the benefits of devolution and the changes this would entail in how the region is governed.

Having seen many previous devolution proposals in rural areas fall apart due to local disagreement, central government will also want reassurance that there is sufficient political will to implement any proposed devolution deals, especially if they include governance reforms such as the adoption of a mayoral model or the unitarisation of county and district councils.

---

It is therefore vital to secure the backing of local MPs, whom one participant thought would play “a potentially pivotal role” in the devolution process, just as they have done when unitarisation has been proposed in two-tier areas. Several participants noted that previous devolution proposals, such as the ‘One Yorkshire’ and ‘Solent’ proposed devolution deals, stalled in part due to objections from local MPs.<sup>34,35</sup> It is therefore essential for county leaders to engage with MPs early in the process and “get them familiar with your proposals”, as part of a broader stakeholder engagement campaign. The closer county areas can get to presenting a united local front to central government, the more likely it is that their proposals will be looked upon favourably.<sup>36</sup>

## **Counties must get the fundamentals right or risk the devolution process going into reverse**

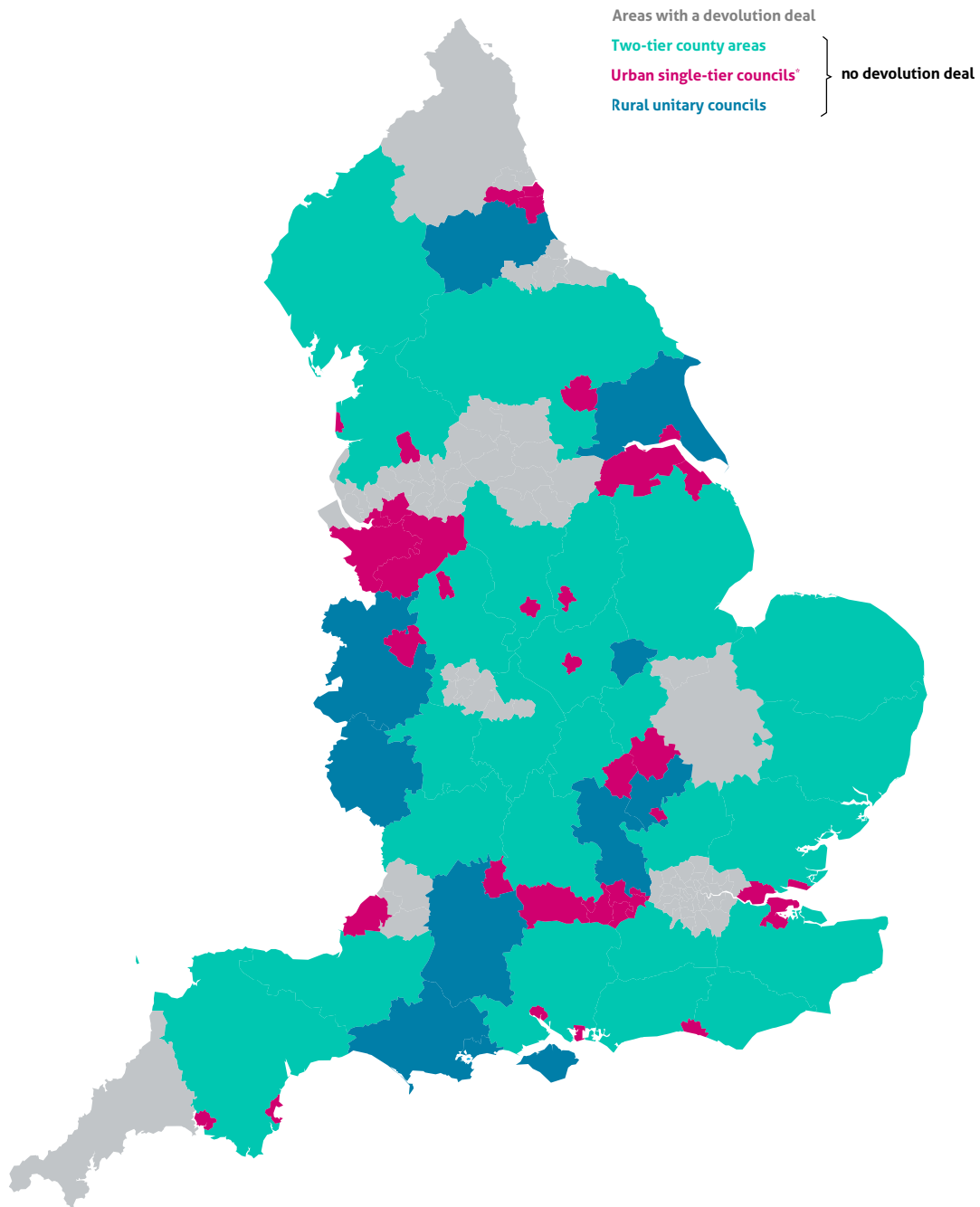
Devolution to counties will not involve a single big bang moment at which sweeping fiscal and public service powers are handed out across the country. Rather, county devolution is likely to be an incremental process, with further transfers of power over time. One participant saw the initial deals as a way to “lay down a set of bricks” that can be built upon through further negotiations and sectoral deals.

The history of devolution – for instance to London, Greater Manchester, Scotland and Wales – confirms that this is often how it works. However, it is not a given. The reality is that devolved powers can be taken back into central control if the government concludes that devolved institutions have become dysfunctional or are failing to deliver a good return on investment. This happened to Cambridgeshire and Peterborough Combined Authority, where the government withdrew £45m of funding from the mayor’s affordable homes scheme, having concluded that the investment offered poor value for money.<sup>37</sup>

So while local leaders may be keen to get started as soon as possible on what may be a lengthy process, it is also important to get the fundamentals right. County deals are most likely to succeed in the long run where there is demonstrable local support, strong leadership, a geographical footprint that makes sense economically and in terms of identity, and a clear assessment of how devolved powers will be used to improve outcomes – especially in places that have fallen furthest behind.

The success of county deals will also depend on the approach taken by central government. Ministers will need to sustain their commitment and provide strong cross-departmental leadership. The government should also set out a clear framework that builds on the principles already published within which counties can position their deals. The aim should be to provide a sense of direction while leaving enough flexibility for deals that reflect varying local circumstances and appetite for reform in different parts of England.

## Annex: How much of England is covered by devolution deals?



Source: Institute for Government analysis of Office for National Statistics Area Classifications, and Department for Environment, Food and Rural Affairs, '2011 local authority rural urban classification'. \* = 'Urban single-tier councils' comprises London boroughs, metropolitan borough councils and predominantly urban unitary authorities.

---

## References

- 1 Letter from Robert Jenrick to Local Authority Leaders, Chief Executives and Mayors, 15 July 2021, retrieved 29 November 2021, [www.emcouncils.gov.uk/write/150721\\_SoS\\_MHCLG\\_letter\\_-\\_County\\_Deals.pdf](http://www.emcouncils.gov.uk/write/150721_SoS_MHCLG_letter_-_County_Deals.pdf)
- 2 RSA City Growth Commission, *Unleashing Metro Growth: Final Recommendations of the City Growth Commission*, October 2014, [www.thersa.org/globalassets/pdfs/reports/final-city-growth-commission-report-unleashing-growth.pdf](http://www.thersa.org/globalassets/pdfs/reports/final-city-growth-commission-report-unleashing-growth.pdf)
- 3 Paun A, Hall D, Wilson J, Nicholson E, 'Metro mayors', Institute for Government, 21 May 2021, retrieved 6 December 2021, [www.instituteforgovernment.org.uk/explainers/metro-mayors](http://www.instituteforgovernment.org.uk/explainers/metro-mayors)
- 4 Department for Communities and Local Government, *Cornwall Devolution Deal. What does it mean?*, 2017, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/608526/Plain\\_English\\_Guides\\_to\\_Devolution\\_Cornwall.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/608526/Plain_English_Guides_to_Devolution_Cornwall.PDF)
- 5 Department for Environment, Food and Rural Affairs, '2011 local authority rural urban classification', 1 May 2014, retrieved 29 November 2021, [www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes](http://www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes)
- 6 The Conservative and Unionist Party, *Get Brexit Done: Unleash Britain's Potential*, Manifesto, 2019, retrieved 30 November 2021, [www.conservatives.com/our-plan/conservative-party-manifesto-2019](http://www.conservatives.com/our-plan/conservative-party-manifesto-2019)
- 7 Johnson B, 'The prime minister's levelling up speech: 15 July 2021', retrieved 30 November 2021, <https://www.gov.uk/government/speeches/the-prime-ministers-levelling-up-speech-15-july-2021>
- 8 Letter from Robert Jenrick to Local Authority Leaders, Chief Executives and Mayors, 15 July 2021, retrieved 29 November 2021, [www.emcouncils.gov.uk/write/150721\\_SoS\\_MHCLG\\_letter\\_-\\_County\\_Deals.pdf](http://www.emcouncils.gov.uk/write/150721_SoS_MHCLG_letter_-_County_Deals.pdf)
- 9 RSA City Growth Commission, *Unleashing Metro Growth: Final Recommendations of the City Growth Commission*, October 2014, [www.thersa.org/globalassets/pdfs/reports/final-city-growth-commission-report-unleashing-growth.pdf](http://www.thersa.org/globalassets/pdfs/reports/final-city-growth-commission-report-unleashing-growth.pdf)
- 10 Rycroft L, Bishop M, Paun A, 'County deals', Institute for Government, 2 December 2021, retrieved 6 December 2021, [www.instituteforgovernment.org.uk/explainers/county-deals](http://www.instituteforgovernment.org.uk/explainers/county-deals)
- 11 Gove M, Remarks at the County Councils Network annual conference, 22 November 2021, retrieved 2 December 2021, [www.countycouncilsnetwork.org.uk/watch-all-the-sessions-from-ccn-conference-2021](http://www.countycouncilsnetwork.org.uk/watch-all-the-sessions-from-ccn-conference-2021)
- 12 House of Commons Housing, Communities and Local Government Committee, 'Oral evidence: Work of the Department 2021, HC 818', The Stationery Office, 2021, <https://committees.parliament.uk/oralevidence/2980/pdf>
- 13 *Ibid.*
- 14 Hampshire County Council, *Best Deal for Pan-Hampshire: A Prospectus for Change*, October 2021, retrieved 30 November 2021, <https://democracy.hants.gov.uk/documents/s85084/2021-10-12%20COVID-19%20Appendix%20%20County%20Deal.pdf>
- 15 Paun A, Shepley P, Nice A, Rycroft L, 'Devolution to the West Midlands', Institute for Government, 15 November 2021, retrieved 29 November 2021, [www.instituteforgovernment.org.uk/explainers/devolution-west-midlands](http://www.instituteforgovernment.org.uk/explainers/devolution-west-midlands)
- 16 House of Commons Housing, Communities and Local Government Committee, 'Oral evidence: Work of the Department 2021, HC 818', The Stationery Office, 2021, <https://committees.parliament.uk/oralevidence/2980/pdf>
- 17 Leadership Centre for Local Government, 'Total Place: Better for less', Leadership Centre for Local Government, 2009, retrieved 2 December 2021, [www.leadershipcentre.org.uk/totalplace/about.html](http://www.leadershipcentre.org.uk/totalplace/about.html)
- 18 HM Treasury, *Spending Review 2021: Priority outcomes and metrics*, October 2021, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1029277/Supplementary\\_Document\\_on\\_Outcomes\\_Metrics.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1029277/Supplementary_Document_on_Outcomes_Metrics.pdf)
- 19 Hill J, 'Gove: levelling up means 'empowering local government'', *Local Government Chronicle*, 4 October 2021, retrieved 30 November 2021, [www.lgcplus.com/politics/gove-levelling-up-means-empowering-local-government-04-10-2021](http://www.lgcplus.com/politics/gove-levelling-up-means-empowering-local-government-04-10-2021)
- 20 Letter from Robert Jenrick to Local Authority Leaders and Chief Executives and Mayors, 15 July 2021, [www.emcouncils.gov.uk/write/150721\\_SoS\\_MHCLG\\_letter\\_-\\_County\\_Deals.pdf](http://www.emcouncils.gov.uk/write/150721_SoS_MHCLG_letter_-_County_Deals.pdf)
- 21 Gove M, Remarks at the County Councils Network annual conference, 22 November 2021, retrieved 2 December 2021, [www.countycouncilsnetwork.org.uk/watch-all-the-sessions-from-ccn-conference-2021](http://www.countycouncilsnetwork.org.uk/watch-all-the-sessions-from-ccn-conference-2021)

- 
- 22 Grant Thornton and County Councils Network, *County Deals: Options for Governance, Powers and Funding*, November 2021, [www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2021/county-deals-options-for-governance-powers-and-funding-november-2021.pdf](http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2021/county-deals-options-for-governance-powers-and-funding-november-2021.pdf)
  - 23 *Ibid.*
  - 24 Nottinghamshire County Council, 'Devolution vision for Nottingham and Nottinghamshire', 21 October 2021, retrieved 30 November 2021, [www.nottinghamshire.gov.uk/newsroom/news/devolution-vision-for-nottingham-and-nottinghamshire](http://www.nottinghamshire.gov.uk/newsroom/news/devolution-vision-for-nottingham-and-nottinghamshire)
  - 25 Department for Communities and Local Government, *Cornwall Devolution Deal. What does it mean?*, 2017, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/608526/Plain\\_English\\_Guides\\_to\\_Devolution\\_Cornwall.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/608526/Plain_English_Guides_to_Devolution_Cornwall.PDF)
  - 26 Gough R, 'Roger Gough: Levelling up. We need to move from county deals to county relationships', Conservative Home, 1 December 2021, retrieved 3 December 2021, [www.conservativehome.com/platform/2021/12/roger-gough-levelling-up-we-need-to-move-from-country-deals-to-county-relationships.html](http://www.conservativehome.com/platform/2021/12/roger-gough-levelling-up-we-need-to-move-from-country-deals-to-county-relationships.html)
  - 27 Gove M, Remarks at the County Councils Network annual conference, 22 November 2021, retrieved 2 December 2021, [www.countycouncilsnetwork.org.uk/watch-all-the-sessions-from-ccn-conference-2021](http://www.countycouncilsnetwork.org.uk/watch-all-the-sessions-from-ccn-conference-2021)
  - 28 As reported in Zeffman H, 'American-style governors could level up England', *The Times*, 4 December 2021, retrieved 6 December 2021, <https://www.thetimes.co.uk/article/american-style-governors-could-level-up-england-lpw9l2sbg>
  - 29 Osborne G, 'Chancellor on building a Northern Powerhouse', speech at Victoria Warehouse Manchester, 14 May 2015, retrieved 30 November 2021, [www.gov.uk/government/speeches/chancellor-on-building-a-northern-powerhouse](http://www.gov.uk/government/speeches/chancellor-on-building-a-northern-powerhouse)
  - 30 Letter from Robert Jenrick to Local Authority Leaders and Chief Executives and Mayors, 15 July 2021, [www.emcouncils.gov.uk/write/150721\\_SoS\\_MHCLG\\_letter\\_-\\_County\\_Deals.pdf](http://www.emcouncils.gov.uk/write/150721_SoS_MHCLG_letter_-_County_Deals.pdf)
  - 31 Grant Thornton and County Councils Network, *County Deals: Options for Governance, Powers and Funding*, November 2021, [www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2021/county-deals-options-for-governance-powers-and-funding-november-2021.pdf](http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2021/county-deals-options-for-governance-powers-and-funding-november-2021.pdf)
  - 32 House of Commons Housing, Communities and Local Government Committee, *Progress on devolution in England, Fourth Report of Session 2021-22 (HC36)*, The Stationery Office, 2021.
  - 33 Cornwall Council, 'Stand Up for Cornwall', (no date) retrieved 30 November 2021, [www.cornwall.gov.uk/the-council-and-democracy/campaigns-consultations-and-petitions/stand-up-for-cornwall](http://www.cornwall.gov.uk/the-council-and-democracy/campaigns-consultations-and-petitions/stand-up-for-cornwall)
  - 34 Ames C, 'Sheffield MPs reject mooted pan-Yorkshire devolution deal', *Transport Network*, 16 January 2017, retrieved 25 November 2021, [www.transport-network.co.uk/Sheffield-MPs-reject-mooted-pan-Yorkshire-devolution-deal/13684](http://www.transport-network.co.uk/Sheffield-MPs-reject-mooted-pan-Yorkshire-devolution-deal/13684)
  - 35 Cusack R, 'Leaders claim 'lack of courtesy' after devo bid rejected', *Local Government Chronicle*, 5 October 2018, retrieved 25 November 2021, [www.lgcplus.com/politics/governance-and-structure/leaders-claim-lack-of-courtesy-after-devo-bid-rejected-05-10-2018](http://www.lgcplus.com/politics/governance-and-structure/leaders-claim-lack-of-courtesy-after-devo-bid-rejected-05-10-2018)
  - 36 Grant Thornton and Localis, *Making devolution work: a practical guide for local leaders*, October 2015, [www.localis.org.uk/wp-content/uploads/2015/10/gt1171-making-devolution-work-final.pdf](http://www.localis.org.uk/wp-content/uploads/2015/10/gt1171-making-devolution-work-final.pdf)
  - 37 Hatton B, 'Government puts 625 affordable homes for Cambridgeshire 'in jeopardy'', *Cambridgeshire Times*, 12 March 2021, retrieved 30 November 2021, [www.cambstimes.co.uk/news/housing-crisis-hits-combined-authority-7824112](http://www.cambstimes.co.uk/news/housing-crisis-hits-combined-authority-7824112)



---

## About the authors

### Akash Paun

Akash is a senior fellow at the Institute for Government, where he has worked for over a decade. He leads the Institute's devolution research programme, and has written and spoken widely on devolution and constitutional change across the UK. He has previously worked at the UCL Constitution Unit and the British Academy.

### Alex Nice

Alex joined the Institute as a researcher in 2019 to work on party policy making and election preparation. Before this, he worked at The Economist Intelligence Unit as regional manager of the Europe department, and at the Royal Institute of International Affairs (Chatham House) as co-ordinator of the Russia and Eurasia programme. In 2018, he was a Visegrad Fellow at the Polish Institute of International Affairs.

### Lucy Rycroft

Lucy is a research assistant, working on the Institute's devolution programme. She graduated from the University of Bristol with a degree in politics and Spanish in 2020. Prior to joining the Institute she worked in the higher education sector.

## Acknowledgements

We are grateful to all the participants of the roundtable on county devolution deals held at the County Councils Network annual conference, which formed the basis for this paper, and to officials in central and local government who spoke to us in the course of our research. Particular thanks to James Maker, James Holden and Simon Edwards at the County Councils Network, and Guy Clifton, Paul Dossett, Rob Turner and Phil Woolley at Grant Thornton for supporting and contributing to the project. Thank you also to our colleagues at the Institute for Government: to Paul Shepley, for assistance with data visualisation; to Hannah White, for comments on earlier drafts; and to Melissa Ittoo, Sam Macrory and Will Driscoll for their help publishing and disseminating the report. Any errors remain the authors' alone.

**The Institute for Government is the leading think tank working to make government more effective.**

We provide rigorous research and analysis, topical commentary and public events to explore the key challenges facing government.

We offer a space for discussion and fresh thinking, to help senior politicians and civil servants think differently and bring about change.

Copies of this IfG Insight are available alongside our other research work at:

 [instituteforgovernment.org.uk](https://instituteforgovernment.org.uk)

 [enquiries@instituteforgovernment.org.uk](mailto:enquiries@instituteforgovernment.org.uk)

 +44 (0) 20 7747 0400     +44 (0) 20 7766 0700

 [@instituteforgov](https://twitter.com/instituteforgov)

**Institute for Government, 2 Carlton Gardens  
London SW1Y 5AA, United Kingdom**

**December 2021**

**© Institute for Government 2021**

The Institute for Government is a registered charity in England and Wales (No.1123926) with cross-party governance. Our main funder is the Gatsby Charitable Foundation, one of the Sainsbury Family Charitable Trusts.