

Central-Local Relations under Labour (2024-): Emerging Themes and Issues in English Devolution

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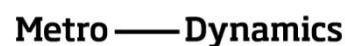


Figure 1- The Deputy Prime Minister Angela Rayner launches the English Devolution White Paper alongside the existing metropolitan mayors. Picture by Simon Walker / Deputy Prime Minister's Office (CC BY-NC-ND 2.0).

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This is a multi-partner project led by the University of Birmingham.

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Summary

The Labour Government elected in July 2024 has now had six months in office. With publication of the Devolution White Paper on 16 December 2024, this is a good moment to assess the direction of travel in the government's approach to central-local relations (MCHLG, 2024c). To summarise, devolutionary elements are welcome but cautious and incremental, while the (potentially) radical elements around reorganisation are not devolutionary. In this respect, the White Paper marks continuity in the British state tradition. The wide-ranging devolution community of interest recognises progress, whilst expressing disappointment at the lack of ambition (<https://citizen-network.org/work/local-england>).

That which is to be welcomed in the White Paper reinforces the change of tone towards local government. The further devolution of functions to city-regions, simplified funding arrangements, multi-year settlements and rollout of new central-local partnership bodies (and the localisation of power to amend byelaws) are all devolutionary measures to empower metro-mayors. Moreover, the White Paper is represented by ministers and sympathetic commentators as a floor, not a ceiling, and the most optimistic commentaries witness the beginning of a more radical shift (Studdert, 9.12.2024).

If the White Paper is a floor, the ceiling is neither clear nor near. Endemic features of the centralised British state tradition remain unchallenged and if anything augmented. There is to be no fiscal devolution, though the government is open to the idea of devolving further functions and resources to single settlement authorities. The vision of English local government that emerges is based around the evolution of a bifurcated system of very large Mayoral "strategic" authorities, intended to be growth machines (Molotch, 1976), and enlarged principal authorities charged with public service (mostly social service) delivery. Taken to its conclusion, this new wave of reorganisation will see the abolition of district councils, posing major questions about political and democratic identities and accountabilities. These preoccupations with growth and efficiency seek to amplify and ultimately conclude a pre-existing local state restructuring project, an agenda with arguably centralising overtones expressed in the language of devolutionary ambition.

This paper delves into central government messaging in greater depth, focusing on the period since the General Election of July 2024 and concluding with the Devolution White Paper of December 2024. It finds familiar ambiguities and dilemmas in the top-line commitment to devolution redolent in some ways of the New Labour approach, reflecting the endemic centralism in English governance (Rae, 2011). These ambiguities point, above all, to the need to make legible rules, traditions and governmentalities that have long defined central-local relations, and have quickly remerged under the current government.

Key messages are as follows:

1. The three new partnership bodies – the UK-wide Council of Nations and Regions, the Mayoral Council and Leaders' Council - should be placed on a formal-legal footing with defined powers and duties.
2. The partnership bodies should establish a convention to consider the fundamental purpose and rights of local government. The convention should produce a Charter to codify rights and responsibilities falling on each tier of government.
3. Since no Charter is binding on signatories or successors, this must be enshrined in a Devolution or English Subsidiarity Act and form the basis for “constitutionalising” the position of local government in the English system.
4. Departmentalism is a major contributor to fragmentation, but joined up local governance is no panacea. Devolution could provide the impetus for stronger coordination and integration. However, funding flexibility remains very limited and the emerging system of strategic and principal authorities has the potential to create new silos and inequalities. Mayors and other local leaders need to recognise and work against fragmentation tendencies endogenous to their own systems.
5. Devolution is a holistic project, not a technical fix. The government's emphases on “growth” and “efficiency” risk exacerbating spatial inequalities. They must be complemented with parallel emphases on the quality and sustainability of economic development, political equality, the restoration of public services, fair funding and local democracy. Spending reviews, multi-year financial settlements and fair funding reviews will be judged on how far they achieve this rebalancing.
6. The tendency of municipal leaders and officials to look to the centre for cues will have to be unlearned, raising important questions about the informal aspects of central-local relations: how to change culture and mindset at both the central and local levels?

Introduction

The following paragraphs analyse signals emerging from the new UK government in the first six months of its 2024-2029 term to December 2024 and publication of the Devolution White Paper. There have been many expressions of good intent towards devolution, partnership working and the simplification and stabilisation of funding, which mark a significant shift from the previous administration. However, there is also evidence of continuities with the previous Conservative and New Labour approaches that highlight the embedded character of the British state tradition: structural inertia, path dependency, habituation and control reflex. The way these dynamics and dilemmas play out have significant implications for resourcing and the prospects for escaping what Diamond et al (2024) call “hyperactive incrementalism” – the tendency for frantic ministerial activism to produce minimal substantive change. This is a charge that could be levelled at the devolutionary elements of the Devolution White Paper.

The analysis is based on a review of the White Paper, literature reviews produced for this project, recent reports on devolution and articles published in the trade press, to capture the approach emerging from the Ministry of Housing, Communities and Local Government (MHCLG). The first six months signpost likely directions of travel for the remainder of the 2024-29 parliament and potentially fruitful points of intervention in the policy process, particularly as the Devolution Bill progresses in 2025.

Devolutionary Intent

Advocates of devolution are careful to emphasise that it must be done well (e.g., any devolved function must be fully funded) and that on its own it is not a panacea for inequality. However, there is a consensus that, a. England, in particular, remains hopelessly over-centralised, b. that centralism is a driver of inequality, and c. that effective devolution of powers and resources could contribute to mitigating geographical inequalities (Ayres, 2024 WP; OECD, 2019). Devolutionary sentiment is further supported by a large majority of the public (Centre for Cities, 2021).

Pursuant to the devolutionary cause, the government has taken several positive steps. Its approach has been broadly welcomed by the sector as a “refreshing change of narrative” (Webb, 2024a), and we have seen commitments made in the Labour Party’s pre-election “Power and Partnership” report (Labour Party, 2024) re-iterated or reinforced in firm proposals. A parallel review led by Cabinet Office minister Georgia Gould is exploring how central government can work better with local partners. To succeed, it will need to drive radical reform at the centre itself (Weakley, 2024a), for example by challenging embedded traditions like the Green Book (Argarwal, 2024 WP), the departmental accounting model, and cultural pre-suppositions (see below) without which devolution is always likely to be cosmetic and reversible. Minister of State for Local Government and Devolution and former Council Leader, Jim McMahon MP, stated his intention to “co-produce” devolution (Weakley, 2024b). In an interview for this project, an LGA officer suggested that this did not happen with the White Paper, since they had not known what would be in it in advance. However, research can feed into the next step, the development of the Devolution Bill to be introduced in this parliamentary session, and to the MHCLG call for evidence on The Funding and Sustainability of Local Government Finance (deadline 27th January 2025).

Commitments to functional devolution and longer-term funding settlements are welcomed by devolutionists, as is the pledge to reduce competitive funding, a commitment prefaced by the funding simplification mechanism introduced by the Department for Levelling Up, Housing and Communities (DLUHC) (Burchell, 2024 WP). Whether simplification is effective, or new ministers looking to make an impact can resist “initiativitis” remains to be seen (Diamond et al, 2024). The broader idea for a reset in central-local relations is also welcomed. Less welcome, and discussed further below, are the highly prescriptive and controversial proposals for local government reorganisation to be accomplished through a hierarchy of strategic partnerships on the one hand, and large-scale public service “unitaries” on the other. The term “unitary” arguably becomes misleading in an emerging landscape of organisations with quite distinct development and service delivery functions.

The White Paper sets out the following areas in which the government is committed to devolving functional powers to “strategic” authorities. Competences will include Transport and local

infrastructure; Skills and employment support; Housing and strategic planning; Economic development and regeneration; Environment and climate change; Health, wellbeing and public service reform; and public safety (MHCLG, 2024c: 29). Nevertheless, as Morphet and Denham (2024) note, “powers” can very easily mutate into “responsibilities”, under-funded “mandates” and top-down accountabilities. This issue is tangible in the White Paper, and in wider governmental discourse.

There is little material as yet on how devolution might serve the cause of, or be informed by, public engagement and democratic renewal (INLOGOV, 2024). The democratic deficit is cited in numerous reports on devolution (see Davies and Giovannini, 2024 for a synthesis), and must be addressed urgently to mitigate public alienation from the political system (Evans et al, 2024 WP). As previously mentioned, the proposals to reform the structure of local government are themselves cause for concern that the outcome will be concentration and centralisation. The White Paper gestures to the need for public engagement, but makes no concrete proposals to rebuild local democracy.

Devolution under Fiscal Constraint?

The first and perhaps most important uncertainty relates to how local government in general, and the reduction of geographical inequalities in particular, will be funded considering the government’s attitude to its (self-imposed) fiscal situation. The October 2024 budget provided some relief through an uplift to core spending and the launch of a modest £600 million recovery fund for the next financial year, targeting areas with the highest levels of need and demand. Metropolitan authorities are the biggest winners, while districts receive minimal uplift. The draft financial settlement for 2025-6 is calculated to deliver a 6% cash terms increase and 3.5% real terms increase in councils’ core spending power. This sum is not considered sufficient to prevent further cuts (Calkin, 2024).

It will remain unclear for some time how much new money will eventually be directed towards the places most devastated by austerity and situated at the bleeding edge of the fiscal crisis in English local government (Arrieta and Davies, 2024). The 2025-6 settlement will be followed by “multi-year” settlements (Weakley, 2024c; MHCLG, 2024c: 76). In parallel with the White Paper, the government launched a [consultation on local government funding reform](#), which will address a number of issues including allocation formulae and the principle of fair funding. Written evidence is required by 27th January 2025.

Key points in the Devolution White Paper

The English devolution white paper, published on 16 December 2024, sets out the government's intended approach to accelerate and standardise the processes by which it passes powers, funding and programmes from Westminster to local areas.

1. Central to devolution is the creation in law of the concept of a 'strategic authority', covering areas with populations of 1.5 million people or above. There will be three levels of strategic authority, holding varying degrees of power depending on their maturity and whether they have a mayor.
2. The government has a clear ambition for universal coverage of strategic authorities across England, preferably with elected mayors. A devolution priority programme will fast-track this process and will see more new mayors elected from May 2026 in addition to the two mayoral elections already planned for May 2025.
3. The new and statutory devolution framework sets out the areas of competence for strategic authorities. While many of the listed areas are consistent with previous devolution deals, the inclusion of health, wellbeing and public service reform highlights the key role of strategic authorities in addressing the social determinants of health and moving to a more holistic approach, organised around service users.
4. The paper introduces a new bespoke duty in relation to health improvement and health inequalities, complementing the existing health improvement duty held by upper-tier local authorities. The government will engage strategic authorities, local authorities and the NHS in taking this forward.
5. While not mandated, mayors will have significant roles at the Integrated Care System level (ICS). There is the expectation that they sit as members (if not specifically as chairs) of integrated care partnerships and be involved in appointing chairs of integrated care boards and setting their priorities.
6. There is a clear longer-term ambition and expectation that public service boundaries will be aligned. Any changes to public service boundaries will be made in consultation with stakeholders and considering the impact on service delivery.
7. At the more local level, the government expects all two-tier areas and smaller or failing unitaries to develop proposals for reorganisation. This will likely see larger unitary authorities created serving areas with a minimum population of 0.5 million.

Figure 1: NHS Confederation Summary of Devolution White Paper (George, 2024)

All these measures make incremental change, but a great more will needed to set local governments on a firm financial footing, let alone enable them to restore discretionary services. These are considered vital in the sector for preventing social ills that escalate the demand for statutory services. Their decline was therefore viewed by our LGA interviewee as a "bad economy" (LGA, 11.12.24).

Accountability and Joined-up Local Government

The theoretical advantages of integrated funding are local flexibility and efficiency, breaking from the rigidity of departmental funding streams and accountabilities and enabling localities to focus on delivering valued outcomes and thus value for money for electors. The last Labour government's Total Place pilots (see Green, 2024 WP) proved popular with authority leaders and senior executives (George, 2024), but was dropped by the Coalition after the 2010 election. The idea receives a positive mention in the White Paper. However, it is unclear how well a split system of strategic and unitary authorities fits with the Total Place methodology.

One cautionary note raised by Morphet and Denham (2024) is that such innovations have been repeatedly undermined by short-termism, and most fundamentally by the Accounting Officer function of departmental permanent secretaries. Hence, they conclude that recent initiatives “fit within the limited, discretionary, non-statutory, transitional devolution narrative in England” (2024: 766). They argue that “devolved” decision making has been rolled out using mechanisms “that reduce existing budgets and local determination of priorities”, leading to “DINO”: devolution in name only (2024: 768). It must be borne in mind therefore that ostensibly devolutionary funding arrangements can have the reverse effect in their underlying power dynamics.

Accountability is central to resolving this question. Accountability for single settlement authorities is to be simplified through a programme board structure with MHCLG oversight, but this does not fundamentally alter the underlying relationship between central government and strategic authorities. Together with former Conservative Secretary of State David Lidington, John Denham has called for a system that breaks with this departmental model (Denham and Lidington, 2024). Denham and Lidington recommend the transfer of accountability for devolved funding to local chief executives, with a new statutory audit body and system of local public accounts committees to examine local public spending together with enhanced statutory audit and scrutiny. The White Paper does allude briefly to the possibility of introducing local accounting officers and local public accounts committees. However, its caution and incrementalism beg the question of whether the Treasury would accept this without its own major structural and cultural reform.

However, even if there is a fundamental change in the system of departmental accountability, devolved single funding settlements will not be a panacea for fragmentation. The quest for “joined up government” is as enduring as that to reduce geographical inequalities, a philosopher's stone of governments past and present (Davies, 2009; Ayres, 2024 WP). However, research conducted under the last Labour administration showed that ostensibly collaborative and joined-up local governance apparatuses were more than capable of producing their own silos, exclusions and network closures. It is important to recognise that silos can have useful functions in terms of getting things done, but to the extent that they could usefully be broken down it needs to be recognised that they are durable and have a tendency to replicate at any scale. The introduction of (limited) flexibility to move funding between strategic priorities through single settlements provides an opening to work against silos, but the vast majority of single-settlement spend is still locked into pre-given categories. From this perspective, the idea of joined-up local government through integrated settlements remains more an aspiration than a reality.

Silos are not created purely by accounting practices. Davies (2009), for example, found that the partnership or collaborative governance ethos cultivated under New Labour led to the suppression of value conflicts, producing only a shallow consensus around open signifiers. Repressed values then reasserted themselves through the clustering of interests in policy arenas. For example, public sector health and economic development professionals shared a common commitment to the always-flexible goal of “social inclusion”. However, they drew on contrasting norms and experiences in determining priorities. The economic development specialists focused on place-marketing, inward investment and the built environment, whereas the public health group were more concerned with mind, body and wellbeing. These foci appeared natural to the actors concerned, but in concealing very different priorities constituted a political-cultural basis for silos, further institutionalised as “themes” in the local strategic partnership structure. Whether elected mayors and cabinets can rise above these tendencies remains to be seen as the single settlements roll out.

This problem is ubiquitous, and it can reinforce asymmetric power and inequality. In a study of the governance of Barcelona, a city with rich collaborative traditions, Blanco (2015) detected parallel urban regime formations: one addressing the growth imperative from a hard neoliberal perspective, the other social welfare, inclusion and democracy from a more social democratic perspective. The latter regime had no influence on the former, a closed network dominated by corporate and political elites. This example warns of the new silos that could arise from the evolving split between strategic and service authorities, further reinforcing inequalities. It is important to consider how this tendency could be better recognised and mitigated through both governance and funding systems.

Finally, as suggested earlier, medium to long term integrated funding could enhance efficiency, improve public services and mitigate short-termism (Werran, 2024). However, much like joined up government, efficiency is not a technical fix for the fiscal crisis or a substitute for redistributive funding to cash-starved towns and cities. The government recognises this, and it will be possible to arrive at a clearer judgment on the recovery agenda in 2-3 years.

Growth, Equality and Democracy

Labour’s first mission is to “kickstart economic growth”. The word “growth” is mentioned 66 times in the Labour Party’s pre-election plan to “power-up” Britain, “inequality” 10 times (Labour Party, 2024). Growth is mentioned a total of 133 times in the Devolution White Paper and efficiency 14 times. The proposals for local government reorganisation discussed below are abundantly clear that growth is the central mission in parallel with efficiency savings.

From the perspective of geographical inequality, there are obvious dangers with this approach. First, the emphasis on big cities and industrial clusters contributing to a national growth mission (DBT, 2024) risks undermining efforts to reduce inequalities within and between regions. The fate of the Biden presidency in the USA warns that achieving GDP “growth” itself delivers nothing by way of social justice and must occur sustainably and in parallel with robust measures to redistribute income, wealth and economic capacity. A growth-at-any-cost approach would likely exacerbate regional disparities (and inequalities within towns and cities). As the Fabian Society’s

proposal for fiscal devolution emphasises, economic development resources must be targeted and complemented by resources to fight poverty and drive equality (Raikes, 2023).

Moreover, the accent on growth and efficiency neglects a more holistic approach to mitigating geographical inequalities, including public accountability mechanisms, public participation and the revival of local democracy. As John Evans and colleagues argue (2024 WP), the centralised British political tradition has long undermined efforts towards empowered participatory governance. In a more enabling environment, bottom-up democratisation or “democracy driven governance” could provide the impetus to disrupt business as usual and challenge ossified forms of policy making. This approach could mobilise under-utilised economic potential as well as addressing multiple injustices. According to the LGIU (2024): “Given the lack of significant evidence that devolution boosts economic growth, the government should give more weight to the other potential benefits. Chiefly it can lead to better delivery of public services and infrastructure while also opening a pathway to address the lack of public trust and negative attitudes towards democratic institutions”. The “new municipalist” platforms in Spain provided strong evidence of the latter approach in action, albeit that even here inertial forces soon asserted themselves (Bua and Davies, 2023).

Devo-Centralism: One Step Forward, One Step Back?

The remaining paragraphs highlight ways in which boundaries are being drawn around devolutionary commitments. It is notable that this is happening so far without collaborative or public reflection on what a common vision for devolved local and regional government in England should look like.

Mandating and Prescribing

The government is to continue with a reconfigured hierarchy of devolutionary models. The White Paper rebrands combined authorities as strategic authorities (arguably a more opaque term), and there are to be three tiers. At the top sit “Established Mayoral Strategic Authorities” (EMSA), a status thus far achieved by six combined authorities, which will receive integrated funding settlements in 2025. EMSA status can be awarded to applicants from the second tier of “Mayoral Strategic Authorities” (MSA) 18 months after the establishment of an elected mayoralty and subject to relatively light-touch conditions on performance. The new “Foundation Strategic Authority” tier (FSA) is designed to facilitate non-mayoral devolution deals with a strong preference for combined authorities, and for progression towards MSA and ultimately EMSA status. The powers devolved to strategic authorities escalate through this hierarchy. The White paper thereby reiterates Minister Jim McMahon’s position that the mayoral model is the only game in town. Non-Mayoral authorities have been excluded from new partnership bodies, the UK-Council of the Nations and Regions, and England’s Mayoral Council (Weakley, 2024b). Principal authorities participate in a third partnership body, the Leaders Council. An LGA officer argued in an interview that this latter body must receive parity of recognition with the others (11.12.24). The government’s commitment to these bodies, the relationship between them, and their relative

weight remains to be seen, a message also echoed in an interview with the Local Government Information Unit (10.12.24).

The second aspect of local government reorganisation is the drive to create mega-unitary authorities, each covering a population of some 500,000. British local governments are already unusually large, and these mega-authorities will be exceptional in the international context. If successfully implemented across England (by no means certain based on emerging disagreements and past experience) they will ultimately result in the complete abolition of districts and a huge loss of local democratic representation. The White Paper spins this democratic hollowing-out as “fewer politicians with the right powers” (MHCLG, 2024c: 80). Whatever its supposed merits as a technical fix for inefficiency, this approach is neither devolutionary nor democratic.

Taken to its logical conclusion, development powers previously exercised by unitary authorities and city mayors will in future be exercised through strategic authorities. In the British state tradition, it is for ministers to decide on the geographies and functions of local governments. The White Paper agenda announces a major local state restructuring programme following this principle. However, the current approach does not fit comfortably with either the principle of constitutionalising devolved powers and rights for local government or the democratic view that major changes should be agreeable to and achieved in partnership with the sector and through democratic engagement with publics.

Whether the aspirations for reorganisation in the White Paper will be fulfilled remains to be seen. The response so far has been uneven. As of mid-January 2025, at least 39 councils had expressed an interest, which could lead to 12 new mayoralities – a significant increase (Weakley, 2025a). However, there are also signs of resistance from districts, some at odds with counties which see the proposals as an opportunity (Weakley, 2025b). From a localist perspective, asymmetric or messy devolution is not necessarily a bad thing (OECD, 2019). What Durose and Lowndes (2021) also call “incompleteness” in institutional designs can be valid and productive from the standpoint of facilitating alternative design logics and encompassing local democratic aspirations. As previously argued, whether the current approach leads to greater spatial equality will depend on many factors other than structure and organisation. At the same time, if funding follows the devolution hierarchy, prolonged asymmetry could exacerbate geographical inequalities, for example between large metropolitan areas and towns and rural areas either left out or, like many districts, not wanting to cooperate.

Intervening

Ministers indicate that they will legislate powers to direct the formation of strategic and unitary authorities. This approach reflects the tone since the July general election. For example, the Secretary of State commented that she “will not hesitate” to intervene in local planning if development targets are not met, including taking on functions directly where necessary (Weakley, 2024d). Jim McMahon expressed this same philosophy in friendlier terms, commenting that while there would still be a need in some instances for government to use its statutory powers to intervene, he could guarantee that commissioners would have a “respectful tone” and councils would “have dignity, they'll have respect” (Weakley, 2024a).

The Devolution White Paper extends the interventionist principle into re-organisation. It states that where sufficient progress is not made in relation to the creation of “strategic” authorities and mega- “unitary” authorities, ministers will be able to issue a directive (MHCLG, 2024c: 7) or legislate (2024c: 80) to force the issue. In addition, the government proposes statutory obligations on Mayoral authorities to produce Strategic Development Plans and Local Growth Plans as well as mandatory housing targets. The plans have to be agreed with government, and should align local and national priorities. They are also to be reflected in the integrated settlement “outcomes framework”, which will be evaluated by the Programme Board, tying local objectives into the national growth mission. Once again, authorities that are perceived not to be in compliance will be subjected to ministerial intervention.

Here, intervening risks running up against capacity deficits. The Institute for Government, for example, found that previous attempts at growth plans often had to be outsourced to consultants due to a lack of in-house capability. As consultancy often does, this resulted in strategies from different areas that looked “nearly identical”, making them “a complete waste of time” (interviewee cited in Williams, 2024). The same could be observed of myriad local governance strategies in recent history, including those produced by Local Strategic Partnerships under the last Labour government. Finally, and perhaps most significantly for both devolution and equity, the government is proposing to deregulate planning, which will disempower local government and leave cities at the mercy of developers and speculators. Fearn, O’Connor and Rose (2024) argue that the proposals “draw more from right-wing think tanks, astroturf campaigns and asset managers than they do the demands of workers, tenants and the labour movement”. Hashimi (2024) argues, moreover, that international evidence shows community engagement to be a much more effective mechanism for achieving inclusive and high-quality developmental goals than letting “the market” rip.

Where housing is concerned, quality affordable accommodation can be seen as a basic right, upon which central government is rightly active. However, the wider question posed by housing targets is what methodologies are appropriate, what resources will be mobilised by whom to deliver them and what ministers could practically accomplish by intervening in areas perceived to be underperforming; regardless of local political will, what levers could they pull to make a difference if there is insufficient interest from investors, or insufficient building capacity (Forsyth, Fenwick and Capella, 2024)?

Conditionality/earned autonomy

The message from Angela Rayner, as Secretary of State for Housing, Communities and Local Government, is that single settlements will be rolled out selectively to mayoralities “with capacity”, and that local authorities need to demonstrate exemplary management of public money to obtain one (MHCLG, 2024b). As was discussed earlier, the accountability system for integrated settlements is to be reformed and simplified, but the underlying structural logic remains in place. Integrated multi-year settlements are part of the reward structure, but they beg the question of why, if this is the right way forward for local government as a whole, they are not rolled out universally, including central grants to support statutory services.

Veto

Proposed Norfolk and Suffolk devolution deals were scrapped in September 2024, because as the White Paper now makes clear, the government does not support the unitary county (mayoral) model unless the scale is appropriate (Webb, 2024b). Negotiations continue with these authorities in light of the White Paper proposals. The government uses the language of inviting proposals for reorganisation, but as this example shows it is heavily laden with prescription. The degree of freedom to shape the devolutionary map from below will be limited, and moreover as the revolt in some districts shows, completing even low-grade deals could be contentious in some areas, creating the prospect of further implementation gaps. The power to veto or impose devolution proposals does not necessarily mean the government will achieve outcomes it finds satisfactory. The White Paper gestures to difficulties ahead in stating that it will “deliver an ambitious first wave of reorganisation in this Parliament” (MHCLG, 2024c: 12), perhaps tacitly recognising that it will not complete the desired national reorganisation within five years.

Traditionalism, habituation and culture

Under the last Labour government (1997-2010) it was widely agreed, as it is now, that the British state was over-centralised. New Labour’s greatest accomplishment in UK governance reform was the creation of three devolved parliaments/assemblies. However, devolutionary or decentralising rhetoric repeated ad nauseum throughout the 13 years between 1997 and 2010 was contradicted in practice at the municipal scale by ever-greater “control freakery” (Wilson, 2003), also aptly called “the Blair paradox” (Flinders, 2005). The paradox was encapsulated by Tony Blair’s (1998: 21-22) infamous promise-threat. Local government, he declared, would be expected to “change again so that you can in partnership with others, deliver the policies on which this government was elected”. If it did so, he promised, it would not “find us wanting” and would be granted “an enhanced role and new powers, your contribution recognised. Your status enhanced”. If, however, councils were “unwilling or unable to work to the modern agenda,” then the government would “have to look to other partners to take on your role. The choice for local government is clear”. Blair’s ultimatum sits alongside the widely experienced dissonance between New Labour discourse and New Labour practice (Davies, 2010), as a historical warning worth heeding today.

Crucially, despite the positive mood music, it is clear from the White Paper that central government continues to see local government as the delivery agent for structures and policies devised by the centre, now in relation to the five missions of the Labour Party. Articulating the relationship in this way suggests that the centralist presuppositions of the British political tradition remain very strong, even among ministers with a local government background. Presented without explanation or qualification, this worldview risks re-embedding by default a tradition that limits the possibility of a radical shift in central-local relations at the outset.

It is important to emphasise that this tradition is not confined to Westminster or Whitehall, but also replicated within local government itself constituting what Copus, Roberts and Wall (2017: 180) termed “municipal Stockholm syndrome”. A recent INLOGOV report (INLOGOV, 2024) mirrors the vocabulary of “delivering national and local priorities”, whilst simultaneously calling for devolution and community empowerment. Possible tensions between national and local

priorities, or between broad strategic missions and (sometimes) hyperlocal citizen preoccupations are not teased out or their governance implications considered. Some Labour local leaders embrace this role as a “delivery arm” for the centre. In a Labour Party conference fringe meeting in September 2024, Leader of Islington Borough Council, Kaya Comer-Schwartz (now Deputy Mayor of London), approvingly recounted a conversation with former shadow minister Andrew Gwynne, in which she reported him saying “I will determine the what and you will determine the how” (<https://www.youtube.com/watch?v=MEEqAHUZD3s>). It is unsurprising that a Labour council leader would seek to support the programme of a Labour government. And it could be argued that allowing local government to determine the “how” through a lighter touch focus on accountability for outcomes represents progress. However, rearticulating this unreconstructed principal-agent relationship grates with the devolutionary radicalism articulated by Comer-Schwartz herself, together with other Labour leaders, in a report published by New Local (Comer-Schwartz et al, 2023). It highlights that the centralist ethos of the British state tradition reaches deeply into the culture, practices and assumptions of local government including critics of that very ethos.

This anecdote reiterates Michael Lyons’ well-made point that reform to structures, institutions and funding must also imbue the whole local government sector with a “sense of powerfulness” (2007: ii), a sense that it has the right to take decisions based on its own electoral mandates and to be judged by its citizens rather than ministers. This accountability is recognised by the government on paper. However, in a truly devolved (or federalised) system, it seems inevitable that local priorities will sometimes clash with national ones. Currently, there is no formal recognition that this can legitimately occur, or specification of when it is or is not acceptable. Consequently, if the current Labour government aspires to constitutionalise local government, the matter of when local democratic rights are legitimately over-ridden by national priorities, as will inevitably happen, should be clearly specified in subsidiarity legislation (Davies and Giovannini, 2024). For example, if reorganisation is always to be the prerogative of ministers, regardless of local objections, partnership working and democratic principles, then why not stipulate this formally? At the same time, the tendency of municipal leaders and officials to look to the centre for cues, directions, rules and regulations will have to be unlearned, perhaps especially but not only where local politicians are closely aligned with national leaders.

“Unlearning” raises important questions about how to change culture and mindset at both the central and local levels. This issue cropped up in interviews, where respondents argued that while structure and organisation matters, learning the art of working in partnership is just as important – the more intangible qualities of governance. The LGA officer interviewed on 11.12.24 emphasised the need for relationships to mature: “all the while the government sees local government as its delivery arm then I think you're not going to move forwards. As opposed to you know, a very knowledgeable and able partner that has its own solutions and contributions to make. ... if we can find different ways of working we could unlock those solutions and those outcomes”. They thought that some parts of government were starting to “get that memo”, while others were not.

One radical recommendation is that this very deep-seated principal-agent relationship could be scrutinised through a convention hosted by the three central-local partnership bodies (Weakley, 2024a). In discussing multi-year funding settlements, McMahon acknowledged the need to sort out “what is the core business of local government and what are the expectations of central

government” (Weakley, 2024c). The White Paper does not address this question directly. For example, one function of the UK Council of the Nations and Regions could be to implement and monitor a legislated Charter on the political rights and responsibilities allocated to each elected tier within the British state. The Verity House Agreement between the Scottish government and local authorities is one possible inspiration for a Charter, although ministers were reported to have “rode roughshod” over it in making unilateral decisions about council tax (LGIU official interviewed on 10.12.24). As the IFS (2024: 5) commented, “the lack of an overarching constitutional framework for assigning responsibilities and powers between tiers of government in England means that, in effect, central government can relatively easily and unilaterally add or remove them”. This suggests that a charter setting out clear principles and allocating rights and duties would need to be underpinned first by legislation, second by the constitutionalisation of its principles, including reformed financial, administrative and political accountabilities, and third by a substantive culture-shift throughout central and local government.

There is a significant international evidence-base in comparative local government to support this proposal. The subordination of municipalities is common in many political systems (Velthuis, 2024 WP), but it is not universal. Countries like Finland, Germany, Netherlands and Switzerland accord significant constitutional rights and protections to all tiers of government, including municipalities. Even then, however, central governments have informal levers through which they can shape municipal politics and policy (Goldsmith, 2002). Power is not only directive or coercive, it can also be exercised subtly, both upwards and downwards. Mitigating informal expressions of vertical power is a very complex challenge beyond the scope of this study. At the very least, as Pike (2024 WP) argued in relation to fiscal federalism, the question of power between tiers of government is one that must be made legible and addressed transparently.

Last but not least: whither local democracy?

This deeply inscribed system central-local relations has long been criticised as anti-democratic and undermining of citizen confidence and public engagement (Davies, 2010). The White Paper is practically silent on local democracy. This is not to romanticise localism. As Davies demonstrates in her discussion of the Assembly North process on the future of South Yorkshire (Evans et al, 2024 WP), local leaders are no less prone to ignoring participatory processes than central government. If devolution does create conditions for reviving local democracy, this will not happen automatically and requires deep political commitment to rebuild public confidence.

The key issue is that whatever this reform agenda otherwise signifies, much of it contradicts the devolutionary message or otherwise neglects its democratic foundations. The idea that boosterish mayors and council leaders governing at a distance from community can mitigate disenchantment with democracy and the hollowing out of local democratic representation is at best unproven. Experience suggests rather that the mayoral model practised in countries like the USA is at odds with democratic and egalitarian goals (Imbroscio, 2011). Or, as Paun put it, if government allocates “scarce resources simply through the lens of return on investment . . . history would tell you that might not lead to allocations to the poorer regions” (cited in Williams, 2024).

Concluding reflections

The current agenda marks an incremental advance for devolution based on well-established governance principles. Davies (2010) argued that part of the problem with New Labour's "localism" was that it treated local government in essentially economic and instrumental or "technocratic managerial" terms (also Skelcher et al, 2005), rather than as a political actor with its own legitimate democratic interests and rights, and as a vital source of democratic legitimacy for the state as a whole. Unfortunately, the Devolution White Paper re-articulates the centralist British state tradition in quite forceful terms, suggesting that good intentions do not a devolutionary transformation make. Viewed as a project to remake the local state and align it to the latest national priorities, the approach to date could be described as "devo-centralism".

However, if we take the White Paper in good faith, and work with the initial presumption that it is a floor, not a ceiling, then opportunities remain for a change of approach. With prominent ministers from local government backgrounds, the government could still challenge its inherited state tradition and set British central-local relations on a new course. Even if progress is then necessarily slow, or incremental, it will more likely be in a consistent and intelligible direction.

It is important to emphasise that the point in capturing the discord between devolutionary aspirations and the realpolitik of the British state is not to make value judgments on when centralism and localism are respectively "good" or "bad", or on what powers should be centralised or localised. Agarwal's (2024 WP) review of the Green Book and Pike's review of the theory of fiscal federalism (2024 WP) both rightly emphasise the dilemmatic quality of decisions about whether to opt for greater centralism and control, or more fundamental devolution. The Labour government faces these same dilemmas. The difference with the recent past is that, with an open mind, it could yet be encouraged to do so more transparently, reflectively and democratically.

The point of the analysis is to highlight the way barriers to addressing old dilemmas in radical new ways have quickly manifested. As a new administration becomes institutionalised, tendencies grounded in politics, tradition, habituation and path dependency are likely to become more pronounced. When writing the first draft of this paper, I read that Jim McMahon had made the seemingly portentous announcement that devolution must come second to resolving the fiscal crisis of English local government: "we can't devolve to a system that is falling over" (Weakley, 2024c). This view could explain why there is to be no fiscal devolution for the time being and the urgency attaching to reorganisation in the White Paper. However, while it is true that local government capacities must be rebuilt and services properly and equitably funded, the significance of this intervention is that it counterposes two goals that devolutionists usually see as complementary. The Productivity Institute (2024) put it thus: "There are no quick fixes, but Labour would do well to remember that English devolution is the route to both economic growth and place-based community revival". If so, radical financial and political devolution cannot wait until central government thinks local authorities are sufficiently competent to be trusted by a national government that won less than 20% of the possible adult vote in the 2024 general election, and must itself earn trust from cynical and angry publics.

Echoing Jim McMahon's call for clarity, we therefore **recommend** that during the passage of the Devolution Bill, the new partnership bodies should be formalised as proposed by the Brown

Commission (Labour Party, 2022) and that they should launch a convention on how to embed central-local relations within a legislated and constitutional framework. The convention would reflect on the fundamental purposes of central and local government in the mid-21st century, and set out clear principles for the conduct of central-local-community relations in the form of a Charter. Such a Charter would be no panacea, but could provide a compass and contribute to reshaping everything from the ministerial control reflex and constitutionalised accountability for spending, to the means of achieving spatial equality and the right of citizens to be involved, listened to, and to challenge (Evans et al, 2024 WP).

At the heart of such deliberations lies the question central to the British political tradition of when central government has the right to treat local government (and by extension its citizens) as a mechanism to deliver national policies, and when it is reasonable for local authorities to prioritise their own democratic mandates when these diverge. When is it reasonable for the centre to continue treating local government as a delivery mechanism? What would the implications for central and local government policy making be if that presupposition was to change? What implications would a reset in underlying principles have for the allocation of funding and financial accountability? From this vantagepoint, it becomes easier to question a multiplicity of inherited assumptions, including the rights of departmental accounting officers, the privileging of mayoral combined authorities in devolved funding arrangements and the relegation of non-Mayoral authorities; not only in the hierarchy of devo deals but also through the denial of voice in key partnership bodies. These considerations will have a determining influence on the way that regional and intra-regional inequalities are addressed in the 2024-29 parliament and beyond.

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