



‘Devolution in Oxfordshire’ - Briefing paper for Need not Greed Oxfordshire

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Introduction

1. Previously, changes to local authority functions were made across the whole of England at the same time. Each area of the country (whatever the structure of local government) had the same powers granted to it by Acts of Parliament. There are few exceptions – where local acts of parliament apply for example.
2. Recently though, three other kinds of devolution have been of interest:
 - Devolution of services from existing Districts and Counties to town and parish councils;
 - Increasing the share of business rates kept locally is sometimes considered to be devolution; and
 - Devolution from central government to groups of local authorities who have formed an overall ‘combined authority’. For example, the Manchester Combined Authority¹. This is not to be confused with the ‘Northern Powerhouse’² or its neighbour the ‘Midlands Engine for Growth’³. Both cover vast swathes of the country.

¹ The Manchester combined authority consists of ten councils - Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan. These together form a large conurbation often lacking clear boundaries between them. See <https://www.greatermanchester-ca.gov.uk/site/index.php>

² There are different definitions for where the Northern powerhouse is. Broadly, it covers anywhere in England North of a line from the Mersey to the Humber but also the Wirral and Cheshire and Sheffield area. However sometimes only cities are mentioned - Newcastle upon Tyne, Leeds, Hull, Liverpool, Manchester and Sheffield. It is not clear if rural (or ‘non-urban’) areas are included. There are various policy commitments, mostly involving Transport, Culture, Science and Information. For more details see: <http://researchbriefings.files.parliament.uk/documents/CBP-7676/CBP-7676.pdf>

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482247/midlands-engine-for-growth.pdf

Together, the first and third versions are known as 'double devolution'.

3. The first kind of devolution tends to be a way to avoid cutting services. Districts and Counties can find they are unable to fund some services due to the extreme austerity that local government has been subjected to. So, they ask towns and parish councils to take on that service. Thus, services are delegated to other councils who may be able (or may be unwilling) to fund it. Towns and parishes:
 - Don't yet have their council tax income restricted by central government;
 - Don't have government grants (for example Revenue Support Grant) to fund services. As these grants are being withdrawn, this puts great pressure on Districts and Counties; so
 - Towns and parishes rely on income from council tax or fees and charges.

Note that the government is currently considering restricting the increases in council tax that larger towns and parishes can make. The government will announce their decision about this in the forthcoming Autumn Statement (on 23 November 2016). There would be a limit on increases, above which approval from a local referendum would be needed. As an example, in Abingdon upon Thames, this threatens **plans**⁴ to redevelop the Guildhall. If there was a referendum the question must use words written by the government. It is difficult to publicise what the tax increase is for. One referendum held for Bedfordshire Police was not successful⁵. There are thousands of local councils - 317 town and parish council and parish meetings in Oxfordshire alone, though only the larger ones might be affected (but why them?). This regrettable plan is a very extreme form of central intervention.

4. The second kind of devolution – changing the funding regime, is complex and beyond the scope of this paper.
5. So, this note focuses on the third kind of devolution – devolution to Manchester and other combined authorities. The government (at least, the Treasury) considered that regional cities in the North could be making more of a contribution to the economy and that local discretion would improve their economic performance. Combined authorities are voluntary and allow a group⁶ of local authorities to take joint decisions on strategic issues that they think are better considered locally. Combined authorities may be run by an elected mayor or representatives from each of the authorities.

⁴ I am highlighting mentions of plans or planning as they may be of particular interest to NNGO.

⁵ Central government does not have referendums when it increases taxes... Turkeys, Christmas etc etc

⁶ Cornwall is one exception to this as it is a single unitary authority and has a devolution deal in place.

6. The devolution agenda started after a promise by the Prime Minister, David Cameron, in September 2014 after the Scottish Independence Referendum. However, as the devolution has only been to some local authorities and as the 'deals' differ from place to place, so the result has been distinctly patchy so far.
7. Deals have focused on urban areas initially and this leaves unanswered questions about rural areas, so this issue is a concern particularly for CPRE as well as the NNGO coalition more broadly. An assessment by Lillian Burns (Vice Chair of CPRE North West) explains this issue using examples⁷ and considers how CPRE might respond. This note picks up some key points from that paper and adds references to Oxfordshire.
8. In the Foreword to Lillian's assessment, CPRE consider that

"With the exception of Brexit, the UK government's devolution agenda for England - which officials describe as "fundamentally changing the way England is run" - is the most significant political process influencing CPRE's work as we think about our Strategic Plan for 2017-2020." (Tom Fyans, CPRE Campaigns and Policy Director)

What is planned and how is it going?

9. The government asked authorities to group together into 'Combined Authorities'. Policy areas that can be devolved from central AND existing local government to the resulting Combined Authorities include transport, strategic **planning** and housing. These services are central to the work of CPRE and NNGO. There was no list of services that can be delegated, only a list of ones that cannot be.
10. In practice, the powers delegated have varied⁸, as the examples of Cornwall and Greater Lincolnshire demonstrate:
 - Both set up a growth hub and have powers over 16+ education, land disposal and utilisation, bus franchising and smart ticketing;
 - But Cornwall also has Coastal management integration;
 - Greater Lincolnshire has export advice, a work and health programme, apprenticeship grants, 19+ skills funding, **spatial planning** and a development corporation; and
 - Other powers are 'Being explored' in both areas.

So there is a clear variation in what is delegated from place to place...

⁷ Lillian Burns, 'Devolution a discussion paper for CPRE', June 2016
<http://www.cpre.org.uk/news/item/4330-devolution-discussion-paper>

⁸ Lillian Burns (page 10) sets out a table showing the powers delegated to each Combined Authority.

11. Local Enterprise Partnerships are too influential in the devolution process. They tend to make funding decisions based solely on economic growth and they lack public visibility and accountability. One of the few stipulations in the devolution process is that authorities should work with their LEPs – thus many other partners and the public are not consulted or involved.
12. The timetable is often too short. Once the Greater Manchester and Cornwall deals were in place, all other authorities were invited to make bids – but with a deadline of September 2015 which was only eight weeks later. Then the deadline moved as, not surprisingly, negotiations continued.
13. Another problem has been the lack of explicit guidance. Authorities have asked for guidance but the government has said that suggestions must come from them. This has caused no end of friction as some bids have stalled or been turned down for reasons not initially stipulated such as population size or cross-border problems. There was no organisational or financial template.
14. The East of England had problems due to changing government guidance. Norfolk and Suffolk met the original deadline and submitted separate bids to government for their county areas. Then they were told that their populations were too small and they must work on a combined bid. Having done this, they were then asked to work with Cambridge and Peterborough City Councils and Cambridgeshire County Council. Cambridge City Council did not agree to this. Now the combined bid is back on the table. So, these local authorities were asked to come up with a solution that fitted their area, which they did, only to be told 'you are wrong!'.
15. There is often little consistency. As an example, the government initially indicated that it favoured there being elected mayors in Combined Authorities, but it was not essential. Cornwall, an early bidder, achieved a deal without a mayor. But subsequent bidders have had much more pressure put upon them to accept a mayor and powers for them have been extended. Mayors have for years been central government's 'answer' to the problems of local authority administration. However, mayors are only as good or competent as the individual who gets the job. Low turnout in the elections for Police and Crime Commissioners might be replicated in mayoral elections, undermining the democratic mandate of the mayoral candidates.
16. There have been arguments between local authorities. For example, Derbyshire County Council at one point threatened to take Chesterfield District Council to court for throwing its lot in with Sheffield City Region rather than with a North Midlands deal. Sometimes, MPs have been accused of trying to impose their will. Oxfordshire is experiencing similar problems (see more later).

17. Funding is not transparent. Funding per head does not seem to relate to the number of services delegated⁹. Issues around retention of business rates have not been clear or properly agreed. And overall, the amount of money delegated does not seem to have been significant¹⁰.
18. Existing joint working and sharing staff can further confuse the picture. An example of the latter is the chief executive of Peterborough City Council, Gillian Beasley, also becoming the chief executive of Cambridgeshire County Council. We have seen similar issues in Oxfordshire, where four of our districts are partnered with another district¹¹, in two cases with districts outside the county.
19. Annex 1, the Local Government Chronicle's map of the progress made (or not) by each authority illustrates the complex results. The 'Explainer' tab on the map says:

'LGC's map give the clearest picture available of the devolution picture around the country – but that cannot take away from the fact that devolution has become a messy process'.

The example of Manchester

20. The Greater Manchester conurbation, with around 2.8 million residents, is the flagship for devolution and has so far agreed at least **four** separate devolution deals with government. This gives the conurbation - which covers the same authorities as the former Metropolitan county - significant additional powers through a mayor who will be elected in 2017. The deals were in:
 - 3 November 2014 - The Chancellor of the Exchequer and leaders of the Greater Manchester Combined Authority signed a devolution agreement;
 - Summer 2015 Budget;
 - November 2015 Spending Review and Autumn Statement; and
 - March 2016 Budget.

The multiple deals do not give one confidence that either side knows what they want or what they are doing¹². A short list of the new powers includes the following broad headings:

- Apprenticeships
- Blue light services

⁹ Lillian Burns (page 9) sets out a table and discusses this issue.

¹⁰ This is no surprise!

¹¹ Vale + South, Cherwell + South Northamptonshire, West Oxfordshire + Cotswold (in Gloucestershire).

¹² See: <https://www.gov.uk/government/publications/devolution-to-the-greater-manchester-combined-authority-and-transition-to-a-directly-elected-mayor>

- Bus franchising
- Business Support
- Data sharing
- European funding (likely to be lost)
- Further education
- Highways and railways
- Health
- **Planning**, housing and regeneration
- To be joint commissioner of DWP's 'Work programme'

Also, constitution, governance and finance powers were set out. There will also be close working with the government on:

- Energy
- Public service reform and services for Children
- Skills and employment support
- Transport

So, once a deal is in place, there are a considerable range of powers.

Greater Manchester Spatial Framework

21. As part of the deal, a hugely important sub-regional **planning** document will dictate land use throughout the whole of Greater Manchester conurbation. This is being written. It will dictate what happens in the Green Belt.
22. The Greater Manchester Spatial Framework (GMSF) is the first in England. Nearly all the other combined authorities have taken powers to produce **spatial planning** strategies. These **plans** will emerge in other parts of the country in due course. Mayors (if there is one) will be responsible for them.
23. Currently there is no **planning** guidance about producing these **plans**. However, they will constitute the overarching development **plans** in their areas. Greater Manchester is establishing its own template¹³ as it goes along. This has not involved all key stakeholders. Whether other areas follow the same approach remains to be seen.
24. In the GMSF, current house building rates – the first option - were dismissed as lacking ambition. The **plan** says that Greater Manchester's growth would be stunted if it only aspired to these figures. Option 1 avoids significant development in the Green Belt or on important open land. In sharp contrast, the second option assumed that the building rate would be 40% more than Option 1.

¹³ 'establishing its own template' AKA 'making it up'.

The third option assumes that it would be 55% more than Option 2!¹⁴. Option 3 would see Manchester building 336,000 houses over 21 years. This is 120% more than current building rates.

25. Option 3 is broadly comparable to the Oxfordshire SHMA **planning** figures – it is about twice trend rates / existing need.

Is there Devolution in Oxfordshire?

26. The LGC's online map currently shows that there are **'no firm plans'** for a devolution deal in Oxfordshire (see Annex 1 for details). A complex story lies behind that position. This is summarised below.
27. In the second half of 2015, devolution proposals for Oxfordshire were developed jointly by the County, the Districts, the Local Enterprise Partnership and the Clinical Commissioning Group. These were submitted to the Secretary of State for DCLG in September 2015 (although Grant Thornton says this was at the beginning of February 2016¹⁵).
28. Oxfordshire's combined authority bid¹⁶ was received by DCLG on 4 September 2015. It mentions:
- Governance;
 - Funding – mentioning New Homes Bonus, Business Rates and setting fees for planning and licensing locally. Also, Skills Funding Agency budgets and some other proposals;
 - The Strategic Housing Market Assessment / Growth Board / Strategic Economic **Plan** and the 100,000 new homes and 85,600 new jobs **planned** by 2030;
 - Local skills, housing and infrastructure problems;
 - Key innovation and knowledge rich sectors;
 - Covers the four headings (in the **LEP plan**) – Connectivity, People, Place and Enterprise;
 - Under each of the four headings, considering 'Rationale', 'Offer', 'Ask', and 'Deliverables' (not in that order in the Connectivity section);
 - A fifth proposal is about Public Sector Reform; and
 - A sixth is about Health, Social Care and Wellbeing.

¹⁴ Build rates and totals over 21 years are - Option 1 = 7,300pa total 152,800, Option 2 = 10,350pa total 217,360, Option 3 = 16,000pa total 336,000

¹⁵ This and following paragraphs are based on the Grant Thornton report on Unitary authorities in Oxfordshire, 2016

¹⁶ <https://www.gov.uk/government/news/landmark-devolution-bids-submitted-from-right-across-the-country> And: https://mycouncil.oxfordshire.gov.uk/documents/s31474/Oxfordshire%20Expression%20of%20Interest%20Devolution%20-%20final%20submission%209_15.pdf (may not work, try pasting this in as a web address)

29. In February 2016, a set of outline proposals was published by the five District Council leaders. The County was not aware of this until just before they were published. This proposed four new unitary authorities, as follows:

1. Vale of White Horse plus South Oxfordshire
2. Oxford City
3. West Oxfordshire plus Cotswold District from Gloucestershire
4. Cherwell plus South Northamptonshire from Northamptonshire

Thus, parts of two other counties are included in the Oxfordshire restructuring.

30. Then, there were discussions between the County and District councils with the aim of jointly commissioning a study of the feasibility and practical implications of these proposals. However, there was no agreement about the scope of this work.

31. In April 2016, PriceWaterhouseCoopers was commissioned by Oxford City Council, to test the 'four unitary' proposal and design governance framework for the new combined authority.

32. On 10 May 2016, Grant Thornton was commissioned by the County Council to study five separate options for local government restructuring in Oxfordshire. There was criticism of the duplication of cost and effort that resulted.

33. The Consultants reports were produced, but there was an initial reluctance to make them public. On 18 July 2016, there was a joint statement by Council leaders mentioning the new Prime Minister and pressing national economic and policy issues (don't mention Brexit!) and pausing plans to seek devolution, infrastructure, skills training and economic development for Oxfordshire¹⁷.

34. However, the reports were both published as Appendices to a report to the County Council's Cabinet on 20 September 2016¹⁸. PriceWaterhouseCoopers advised the districts to abandon the four unitary, cross county boundary option¹⁹.

35. So, the proposals for a combined authority in Oxfordshire have apparently become entangled with the issue of local government restructuring in the County. There are two reasons for this:

- Adding a combined authority with a mayor making major decisions to the existing three tier arrangements (County / District / Town or Parish) would be very complicated, expensive and difficult to understand; and

¹⁷ See: <http://www.southoxon.gov.uk/news/2016/2016-07/latest-devolution-bid>

¹⁸ See: <http://mycouncil.oxfordshire.gov.uk/ieListDocuments.aspx?Cid=115&Mid=4786>

¹⁹ PWC report page 14 says – 'this option was removed from the scope following discussions we held with local and national stakeholders which concluded that this option was not feasible within reasonable timescales given the additional complexity and consequential impacts it would have on additional areas outside of scope.'

- If unitary councils could deliver savings, the government might not agree any extra funding in a devolution deal.

As local government restructuring is such a complex issue, with a long history, it is considered in a separate briefing paper to NNGO.

36. The recent County Council report to the Cabinet on 20 September (the Updated version), says that both reports from the consultants:

- Conclude that the status quo – keeping county and the five districts - is not a viable option;
- Agree that key services and strategies including **strategic planning**, adult social care, housing, transport, infrastructure, and pooling of funding and redistribution to address current and future service demand would need to be **planned** and delivered on a countywide basis;
- Find that a single unitary authority for Oxfordshire would save over £100m net over its first five years; and
- Take the view that a single countywide unitary authority would require structures to ensure effective local engagement and devolution within the county.

The districts might have a different view of course.

37. Also, Grant Thornton set out a proposed sixth option for reform, based around a single strategic unitary authority with the district administrative areas retained for local decision making - by councillors from the unitary authority, supported by officers from the unitary authority. The County Council Cabinet were asked to tell officers to work with stakeholders, including the public, to develop proposals for a single Oxfordshire unitary council, and further explore Grant Thornton's 'Option 6'. This broad approach was agreed by the Cabinet according to the minutes²⁰.

Conclusions

Nationally

38. **Nationally, the likely outcome seems to be that what local authorities do and how they are structured will vary from place to place in an unpredictable way.** Roles and functions will change every 30 to 50 miles or so. Change is running on different timetables in different places. There has been

²⁰ Minutes presented at the OCC Cabinet, 18 October 2016.

<http://mycouncil.oxfordshire.gov.uk/ieListDocuments.aspx?CId=115&MIId=4787&Ver=4>

almost no consultation with the public or interested groups (except for LEPs). Connections to identifiable historical borders and places may be reduced.

39. **Funding seems patchy and unclear.** Where services are transferred from central government, there is much recent history of the total amount available nationally being cut. Then the distribution of what is available tends to be arbitrary and sometimes focused on favoured projects or areas. To be fair, in practice, it is difficult to estimate in advance what national services will cost each authority.
40. **There will be new overall strategic plans for the combined authorities.** The changes are urban focused and ignore the role of rural areas – apart from viewing them as somewhere to build or run communications through. The plans will predict high rates of housing and other development that are well above past rates. When national totals are considered the total amount is unrealistic. This will zone large areas of land. Green belts, AONB and other sensitive sites will be ignored in the rush. But the promised growth may not materialise, leaving land oversupplied and local authorities missing their growth targets. In the contrary world of planning, failing to meet overoptimistic growth targets will mean that even more land needs to be zoned, making the oversupply worse.
41. The Foreword to Lillian Burns' paper sets out these concerns:

“However, as Lillian outlines, there are a range of concerns about how devolution is currently being carried out, particularly in relation to transparency, accountability, and stakeholder engagement. The high degree of complexity involved, and the fact that each devolution deal is unique, presents further challenges for civil society. The devolution agenda has simply not been subjected to the degree of scrutiny that its importance warrants.”

This change is confusing and the results will be unacceptable and unfamiliar to most people who will feel they have lost control of their local services and environment. The change is likely to undermine accountability, understanding and thereby support for local government.

42. **In contrast, some areas may see no restructuring of districts and counties, no new combined authorities and no new mayors.** Where there is no devolution deal there may be very little change. They may be left behind with little investment in necessary infrastructure and no mayor. This may be no bad thing!

Oxfordshire?

43. **If there is change in Oxfordshire, the most likely scenario seems to be setting up a new single local authority for the whole of the county, but like ‘Option 6’ with district administrative areas retained for local decision making - by councillors from the unitary authority.** And possibly delegation to major towns and villages. Other options are of course possible. There might be two unitary authorities – one being an expanded Oxford City area and the other a more rural ‘donut’ authority for the rest of the County.
44. In any case, there would also be a new combined authority run (most probably) by a mayor for the whole of Oxfordshire. This would have additional functions devolved from central government. Relations with the new unitary local authorities might not be too clear. There would most likely be an overall strategic **plan** for the County, perhaps reducing the conflict that results from having five local **plans**. But the **plan** still seems likely to set unrealistically high growth targets. ‘Consultation’ about all this may be focused on the LEP and other major providers, but not local people and organisations such as NNGO.
45. So NNGO might need a response with a national focus, tailored to local circumstances. Drawing from Lillian Burns paper:
- Government needs to consider:
 - Whether failing to properly and widely consult the public and other key interest groups will give the new combined authorities the acceptance, authority and agreement they need?
 - If a patchwork of arrangements that is different everywhere is a sensible option. Do we want and can we justify a system where every 50 miles or so, there is a major change in how things are done? Or one where some areas don’t have any new delegated powers?
 - Whether there is any need at all for LEPs in the new system. Could they be integrated into the new combined authorities²¹? Then, consulting local business could be made part of the role of the new combined authorities?
 - Whether ‘Mayors’ are needed, and if so how can they be removed if they are completely unsatisfactory?
 - How the combined authorities will work with existing or new unitary authorities?
 - Whether a clearer national development **plan** is needed, rather than the default setting of very rapid growth absolutely everywhere.
 - Strengthening and supporting the role of town and parish councils. If more is being delegated to them with little funding, why are any of them being threatened with capping?

²¹ The County Council’s Economic Development Team and its associated budgets were aligned into the Oxfordshire LEP as part of the Oxfordshire Combined Authority bid on 4 September 2015. Why not align it back?

- That in between the urban areas, there are some very important rural areas!
- NNGO might consider:
 - Getting more involved in this issue locally in whatever ways present themselves?
 - Lobbying central government about rural issues in devolution?
 - Suggesting a more thoughtful approach to the new roles for town and parish councils?
 - Considering how rural and urban issues might be reconciled?
 - Perhaps supporting Grant Thornton's sixth option as mentioned above?
 - And other things no doubt...

ANNEX 1 – Devolution deals on 27 October 2016

The LGC's map – Intends to show the current position of devolution deals²².

Currently there are 'Ratified devolution deals' for:

- The North East (Durham, Northumberland, Tyneside)
- Tees valley (Teeside)
- Liverpool
- Greater Manchester
- Leeds city region
- Sheffield city region
- West Midlands (map includes Shropshire – it is shown as an observer awaiting membership²³)
- Cornwall

Deals agreed in principle (this is no guarantee that it will proceed) include:

- Greater Lincolnshire (teetering on the edge of collapse according to Lillian Burns)
- Cambridgeshire and Peterborough
- Norfolk and Suffolk (East Anglia deal no longer exists according to Lillian Burns)
- West of England (Avon as was - teetering on the edge of collapse according to Lillian Burns)

Advanced discussions with government:

- Cumbria
- North Yorkshire
- Lancashire
- Greater Cheshire
- Leicestershire and Leicester
- Greater London
- Three Southern Counties (Surrey, W & E Sussex)
- Solent

Early stages:

- Gloucestershire
- Bedford, Milton Keynes, Central Bedfordshire and Luton
- Greater Essex
- Kent & Medway
- Heart of Hampshire
- Heart of the South West (Somerset, Devon)
- Greater Dorset

No firm plans

- North Midlands
- Staffordshire & Stoke
- Rutland
- Shropshire, Herefordshire, Telford & Wrekin
- Worcestershire
- Warwickshire
- Northamptonshire
- **Oxfordshire**
- Buckinghamshire
- Hertfordshire
- Wiltshire & Swindon
- Berkshire

Note that some areas appear in two groups – for example Shropshire is in the 'Ratified devolution deals' list and the 'No firm plans' list.

Note also that the places with 'No firm plans' are concentrated in the middle of England...

²² See:

http://www.instantatlas.com/demos/LGC/DevolutionMap/02_06_2016/atlas.html?loadAllData=true&indicator=i0&prop_legendClassifier=quantile&pal_defaultPaletteId=Sequential%20Cyan&pal_defaultSchemeId=categoricScheme1&pal_noClasses=5&bbox=195534.10969501073%2C172490.87246544485%2C635637.7282181928%2C679859.2361777596

²³ See: <https://westmidlandscombinedauthority.org.uk/about/whos-included/>