

# Lessons from overseas: assessing England's devolution performance

Non-Verbatim Minutes



**The Devolution**  
All-Party Parliamentary Group

<b>Date</b>	Tuesday, 21 February 2023
<b>Time</b>	14:00 – 15:00
<b>Venue</b>	Room B, 1 Parliament Street, London
<b>Chair</b>	<b>Andrew Lewer MBE MP</b> Member of Parliament for Northampton South, Chair of the Devolution APPG.
<b>Speakers</b>	<b>Mayor Berry Vrbanovic</b> Mayor of Kitchener, Canada  <b>Geoffrey Van Orden CBE</b> Former MEP and the last Leader of the Conservatives in the European Parliament  <b>Professor Nicola McEwen</b> University of Edinburgh and Co-Director of the Centre on Constitutional Change  <b>Councillor Marianne Overton MBE</b> Leader of the LGA Independent Group and Vice Chair of the LGA and Council of European Municipalities and Regions Spokesperson on Climate and Energy

## MINUTES

Chair of the APPG for Devolution, **Andrew Lewer MP** convened the meeting and said this meeting will look at devolution compared to other countries, taking in the points of view of an international panel of speakers. Andrew invited **Mayor Berry Vrbanovic** to speak first.

**Berry** thanked the Chair for the opportunity to speak to the meeting and said he is currently in Barcelona, but is happy for the opportunity to share his perspectives as a Mayor in Canada, which sits 100 kilometres from Toronto. The structure of government in Canada is decentralised and complex. Canada has 3800 local governments ranging from towns with a population of 5 to Toronto, which has a population of almost 3 million people. In Canada, provinces and territories have complete authority, so service delivery can vary widely between municipalities because the structure of municipalities themselves can vary.

Initiatives such as the Canada Community Building Fund provides \$2bn to municipalities based on populations and \$1.6bn in endowment dollars to Canada's equivalent of the Local Government Association. The rapid housing initiative provides funding for fast track construction of affordable and supportive housing. In Canada's largest province, Ontario, various restructuring of municipalities has occurred since the war and continue to evolve to this day. In the 1990's the 800 local governments were restructured to the 400 local governments that exist today, via the Local Service Realignment.

Today they are seeing complex issues arising as they exit the pandemic in issues such as homelessness, mental health and addictions and these are challenges local government cannot address alone. The introduction of Bill 23 sees planning responsibilities moving to the local tier rather than regional tier. **Berry** said Canada is at a crossroads because of the modern day challenges.

**Berry** cited three key points to note that he felt relevant to both Canada and the UK. Firstly, that local governments are at the forefront of local, national and global issues. A new reliable and predictable

legislative framework must be in place to tackle these responsibilities. Secondly, working with local government associations, there must be meaningful dialogue as services are moved from national to local government. Thirdly, there is no 'one size fits all' solution. Change must be driven by local choice in response to community need.

**Andrew** thanked **Berry** for his opening remarks and the outlining of the structures in Canada is very interesting. He invited **Geoffrey Van Orden** CBE to speak.

**Geoffrey** thanked the Chair and said the UK and European Union (EU) are on opposite trajectories in terms of devolution. The UK is centralised and it has pursued devolution for many years. The EU began as separate sovereign states and seeks to integrate. The EU wants an ever closer union and Geoffrey feels this remains the case.

The 1992 Maastricht Treaty was a turning point which turned an economic model into a legal entity. Maastricht set the alarm bells ringing and even France voted against the treaty. When people were given the opportunity to vote on the treaty they have generally voted against it. EU integration has been gradual, voluntary and often controversial, handing over sovereign powers to the EU. Powers conferred on the EU could be overturned via the power of veto, but even the powers of veto have diminished over the years. The Maastricht Treaty put up firewalls between areas of policy referred to the European community, justice and home affairs and foreign and defence policy. Gradually those firewalls were removed, always in the direction of further integration. Other areas were left with member states, but this gradually changed too. There are now very few areas where the EU does not have a role in what was previously presumed to be devolved areas of policy.

Many people see EU integration as a benign process, but **Geoffrey** disagrees with this argument. It is the process of integration that is in question. Several areas of the UK, such as Wales, have benefited from EU funds, although **Geoffrey** feels the funds originate from the UK, are recycled in Europe and then returned to the regions. Obtaining funds is a very bureaucratic process and without an understanding of the niche application process, it was difficult to make progress.

The EU and the UK are mirror images moving in opposite directions as far as devolution is concerned. Even areas where there is funding, the overarching guidelines are provided by the EU and even where the UK has control, the hand of the EU commission was always involved in the final decisions and made the final call. Some have argued there was allowance for devolution, it was the EU that provided the internal market harmonisation.

**Geoffrey** continued that there is no direction from the EU regarding the direction it is heading. There is a persistent element at the heart of the EU that is determined to push forward with integration and the EU has enormous financial resources at its disposal to pursue these objectives. Brexit has deepened the internal union issues in the UK and COVID also added to that. **Geoffrey** concluded by saying there are strong forces working in favour of devolution but, speaking as a unionist, there must be an emotional as well as a factual argument made about the merits of the United Kingdom.

**Andrew** thanked **Geoffrey** for highlighting the differences between the UK and EU devolutionary frameworks and introduced **Professor Nicola McEwen** and invited her to address the meeting.

**Nicola** thanked the Chair for the invitation to speak to the APPG and she wanted to highlight four points. Devolution comes in many forms, from fiscal, executive, administrative to legislative devolution. Their common feature is their powers are centrally allocated but central government retains an overall sovereign authority. No matter how it is designed, devolution is distinctive in each area, with the competencies being constitutionally protected.

Secondly, devolution is introduced for many different purposes and this should be considered when considering how successful devolution has been. There can be political devolution, such as in Scotland, or cultural devolution to protect religious or linguistic cultures; Wales may fall into this category. Devolution can be used for conflict resolution, such as in between Ireland and Northern Ireland. Administrative devolution, aiming for more efficient policy-making or economic devolution appears to fit England's devolution category. This makes it different from other areas of devolution which are in

response to drivers in other constituent territories of the UK. Due to the differing reasons for devolution, **Nicola** feels the needs for, and prospect of, a UK-wide devolution settlement is somewhat doubtful.

The UK Government's response to the Levelling Up Select Committee report on the progress of devolution said devolution was to empower local government to use the levers to level up and deliver better outcomes and services for residents. **Nicola** asked if there was sufficient expertise, capacity and sufficient flexibility in how budgets are allocated to deliver these objectives at the local level. She feels the answer was probably no.

Thirdly, there is the issue of asymmetry. The UK is unique in that there is asymmetry in its constitutional design. Devolution is the product of the parts rather than the whole. The approach of delivering devolution in parts is not necessarily problematic, but it is not very coherent.

Finally, the more responsibilities that are transferred to regional government the more these governments are impacted by the decisions taken centrally. Perhaps counter-intuitively, decentralisation has to come with mechanisms to manage the intricacies of what is devolved and what is not to help manage relationships, to manage disputes and to share best practice. There is no mechanism for a collective voice for England within the various collective territorial governments.

**Andrew** thanked **Nicola** for her remarks and introduced the final speaker, **Cllr Marianne Overton MBE** and looked forward for her insights as Leader of the LGA's Independent group.

**Marianne** said this is a very important subject as it relates to getting people engaged with democracy and taking care of their local areas. Marianne sits on the Council of European Municipalities and Regions as the spokesperson for climate change, they represent 130,000 councils from Europe from 41 countries and she has seen the differences in the countries. She spent a week in Denmark and they had to have different sized authorities and it was an interesting example about how to manage an asymmetric type of government.

Devolution is at the heart of what councils need and want. We are looking to upskill residents, promote economic growth and tackle climate change and councils understand the needs of their residents best. During COVID, when food needed to be delivered, prescriptions collected or emergency assistance needed to be given, these things are difficult to manage centrally but councils are well-placed to assist. Local government is close to the people so can do the best possible job.

The Local Government Association would like to see an extension of devolution. Other countries are more devolved, giving power to residents who can see and influence things and are therefore more engaged. Local government has to have more powers so they can demonstrate they have made a difference. Finances must also be devolved as local government needs the resources in order to do the job.

Local governments would benefit from local tax raising powers as local areas may need extra support. A tourist tax is desirable to councils, such as a 3% tourism tax, which could raise a substantial amount of money to spend on local services. Other countries use these mechanisms with little complaint and this allows councils to have more fiscal freedom and to be more accountable to the residents they serve. Local areas often have different priorities and local fiscal freedoms would enable these priorities to be pursued.

A report commissioned for the District Councils Network suggests 'bigger is not always better' and powers and finances should be devolved to councils as they are, structural reorganisation is not necessary. Parish councils are offered opportunities to take on powers and raise money themselves and can often deliver the initiatives better. More fiscal freedom would allow councils to raise money independently. The Better Care plan in Lincolnshire is the biggest it has ever been and they are very pleased with the impact. The budget is pooled and it results in a more efficient service. A number of services are linked across seven or eight councils which results in efficiency savings, whilst retaining fiscal identity. They are calling for devolution to locally accountable bodies to make sure they are then able to do their job, bring in other funding to support themselves.

Resources and tools should be devolved to councils as they are, without reorganisation, and there are many examples where this has worked well and councils are ready to do more.

**Andrew** thanked **Marianne** for her comments and invited the parliamentarians present to sum up what they had heard, offer personal reflections and to ask any questions.

**Lord Wigley** said what happened in Scotland and Northern Ireland was nothing to do with devolution. Devolution could be blurred by the economic situation. After Brexit there is no happy solution and Scotland may well become independent and there are independently minded politicians in Wales. Local government needs real power to deliver local priorities.

**Lord Jay of Ewelme** said that he found the speakers very interesting. Scotland, Wales and Northern Ireland have very different types of devolution and, as a unionist, he wants the UK to stay together. England needs manageable devolution and his question would be how that can come about.

**Lord Stunnel** said he found the points made by the speakers fascinating. As a Liberal Democrat he does not feel he needs a neat and tidy solution to devolution but the search for a neat form is destined to fail. The combined authorities effectively pool resources. He takes a different view to **Geoffrey** on the pros and cons of the EU. Everyone is all in favour of devolution down to the level where they operate, but the test is how much further people will go. Brexit is a good example where everyone wants the control.

**Baroness Blake of Leeds** said as a former Leader of Leeds City Council who worked to achieve a workable devolution model she understands the frustration of working towards a devolution model. You work within the constraints of what national government will, or will not, allow you to do and **Baroness Blake** feels regional devolution would have been good for Yorkshire to allow local determination on matters. They were close to achieving it but the government ultimately did not support the plans. The West Yorkshire model did not include the districts that support the Yorkshire economy around Leeds and this experience has affected her view.

England has not been allowed to explore the different reasons for devolution which has made communicating with the public on why devolution is important more challenging, leading to accusations of the objective being to set up more bureaucracy or more politicians, which the public do not welcome. England is being held back by not being able to move forward on this agenda. The big gap is the 'how'. How will devolution be achieved? Fiscal devolution is desirable but we are yet to work out how this will be achieved. The appetite for devolution is there.

**Andrew** thanked **Baroness Blake** for her comments and **suspended** the main meeting to conduct the APPG's Annual General Meeting.

### **Annual General Meeting**

The Chair of the APPG, **Andrew Lewer MP**, convened the Annual General Meeting with the following Parliamentarians present.

- **Andrew Lewer MP (Conservative)**
- **Baroness Blake of Leeds (Labour)**
- **Lord Wigley (Plaid Cymru)**
- **Lord Jay of Ewelme (Crossbench)**
- **Lord Stunnel (Liberal Democrat)**

The business of the AGM was resolved as follows;

1. **Chair's Welcome:** Andrew gave a summary of the APPG's activities throughout 2022 and confirmed he would like to continue as Chair of the APPG.
2. **Election of Chair:** Andrew Lewer MP re-elected unopposed.
3. **Election of Officers:** All current Vice Chairs and officers of the APPG re-appointed, as follows;

### **Vice Chairs:**

- **Baroness Eaton (Conservative)**
- **Dr Jamie Wallis MP (Conservative)**

- Lord Kerslake (Crossbench)
- Craig Williams MP (Conservative)
- Wayne David MP (Labour)
- Lord Purvis of Tweed (Liberal Democrat)
- Henry Smith MP (Conservative)
- Lord Foulkes of Cumnock (Labour)

#### Officers

- Catherine West MP (Labour)
- David Duguid MP (Conservative)

4. **Financial Statement:** Reviewed, accepted and signed by the Chair.
5. **Any Other Business:** None recorded.

**Andrew** thanked the parliamentarians present and **closed the AGM.**

Re-opening the main meeting of the APPG Devolution, **Andrew** invited **Mayor Berry Vrbanovic** to reflect on the asymmetry point in relation to the size of the provinces in Canada and in terms of the delegated powers, i.e., Quebec, and does this cause problems with other provinces who note the scale of Quebec's devolution settlement?

**Berry** said Quebec has no different authority than any of the other provinces or territories, although Quebec has a little more say in relation to immigration. The involvement of the LGA equivalent organisation in Canada, the Federation of Canadian municipalities, has been helpful. There are differences in approaches between large and small provinces and they have particular Acts relating to different cities, e.g., Toronto, Vancouver and Winnipeg, which differ in the detail in that certain cities have powers the other cities do not. In Toronto and Ottawa, they created strong Mayor powers, who have the power to veto a decision of council, which can then be overturned on a two-thirds vote basis from council. This prevents a small majority of council blocking provincial priorities. This is a recent change from November 2022 but could be extended once a review has taken place on how it has operated.

**Andrew** said that he hoped Brexit would lead to further devolution rather than the "Brussels" simply being replaced by "Whitehall", but the way funding is being distributed at present is not yet delivering the fiscal freedom he hoped. **Andrew** invited **Professor Nicola McEwen** to make any final comments.

**Nicola** said Brexit is having a profound effect on devolution in the UK and we are at a crossroads moment with the domestic legislative programme that is preparing for life after Brexit, such as the United Kingdom Internal Market Act creating controversies and undermining some of the fundamental elements of devolution in Scotland and Wales. It is unclear which direction things will go. Scotland and Wales devolution has a symbolic importance. England remains one of the most centralised nations in Europe and there is a desire for English national identity, which makes designing something that responds to those needs complex. There are different views of sovereignty in terms of taking control and sharing control, for example, like Wales.

**Andrew** invited **Geoffrey Van Orden CBE** to make any final comments.

**Geoffrey** said he felt it all comes down to money whether it is from EU to member states or national to local government, there is always a tension around fiscal resources and responsibility. This is key at every level. **Andrew** said the EU focus on capital rather than revenue was always a clever way the EU approached this area. **Andrew** invited **Cllr Marianne Overton MBE** to make any final remarks.

**Marianne** said we need a better level of devolution here and there is a sense that local government is an agent of central government rather than a partner and this will prevent the achieving of our objectives. She is in favour of a basket of powers that can be devolved and feels fiscal freedoms is a good thing. Residents need to be able to see how devolution benefits them and councils could take the size of the powers to match their own ambitions and powers. Pooling of budgets can be done without a unitary authority and has worked well. We must continue to influence central and European government and she is working with the LGA to develop a mechanism to influence European government.

**Andrew** concluded by saying he feels frustrated that devolved government is not given the status they deserve, but this is why the APPG exists.

He thanked all speakers for their time and sharing their insight and closed the meeting.