

Local Government Association (LGA)

House of Lords debate on the implications of the constitutional changes in the Gracious Speech

Thursday 25 June 2015



Key messages

- The LGA has called for more powers to be devolved to local government. The Government's Cities and Local Government Devolution Bill is a positive step as it will give combined authorities the range of powers they need to create jobs, build homes, strengthen healthy communities and protect the vulnerable.
- People in communities across the UK want more decisions that affect their lives to be taken closer to them. To achieve this we must transfer powers to the level of government closest to the people. Equally, for communities to have real faith that the local representatives that they elect have real powers to enact their wishes, the legal position of local government needs to be enhanced and secured.
- Alongside legislative change, fiscal devolution with proper consideration of fair funding is also required to ensure that the public services are sustainable. Decisions about sustainable funding for services need to be made with a thorough understanding of local need and circumstances taken into account.
- A wider conversation on the constitutional settlement is needed to secure the position of local government across the United Kingdom. This will ensure communities have confidence that the power to make decisions that affect their lives rests with the people who live and work among them. We do not believe this need delay progress of the Cities and Local Government Devolution Bill, the Scotland Bill or the Wales Bill.

Background

Devolution within England is the most effective way to create jobs, build homes, strengthen healthy communities and protect the vulnerable in all parts of the country. The LGA is calling for powers to be devolved locally. The Government's move towards this through the publication of the Cities and Local Government Devolution Bill is a positive step.

In particular, the LGA has been calling for all areas to be provided with the full range of powers they need to promote growth and public service reform, which includes expanding their functional scope to include responsibilities beyond economic regeneration and extending the general power of competence. The inclusion of these provisions in the Bill is a positive measure.

No 'one-size-fits-all' model of governance

People should be free to choose the appropriate model of governance for their community. The LGA urges the Government to reconsider its position on elected mayors as a condition for greater devolution, in order that local and central government can work together to meet our shared ambitions for the people we are here to serve. The LGA's report, [English Devolution: local solutions for a](#)

Briefing

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[successful nation](#), sets out principles for strong governance and a number of models that could achieve this.

The Government has recently said that an elected mayor was not a “requirement or deal breaker” for non-metropolitan areas, as it has been for devolution to city regions. Local government would like clarification that the Cities and Local Government Devolution Bill will offer the same level of devolution for county areas as for city regions. Every area should have the freedom to determine the model most appropriate for them as long as it is in accordance with principles of strong governance.

Transparent and collaborative decision-making

The Cities and Local Government Devolution Bill creates a number of new powers for the Secretary of State in order to grant the devolution of powers to combined authorities. Where it is in the Secretary of State’s power to alter local structures and delivery of public functions, it is vital that the decision-making process is transparent with clear criteria and route of appeal.

Decisions must be taken in consultation with local government, so that changes are appropriate to the local area and at the pace they can implement, given the reduction in core capacity that many councils have faced. Supporting a voluntary approach would enable the establishment of sustainable governance arrangements where councils come together by consent to share devolved powers according to agreed objectives and outcomes. Such discussions are complex and rely on confidence that both central and local government are committed to a new way of working.

Devolution underpinned by sustainable funding

Alongside legislative change, funding reform is also required to realise the benefits of greater devolution. The LGA’s [100 Days campaign](#) calls on the Government to enable all councils to retain 100 per cent of business rates and to set local charges, and discounts for council tax and business rates.

Greater fiscal autonomy at the sub-regional level will enable more places to invest in the infrastructure needed to unlock growth and deliver public services that meet the needs of a twenty-first century society and economy. The path towards full autonomy needs to be carefully planned, with proper consideration of fair funding and equalisation needs.

Constitutional settlement

It is clear that people want more decisions that affect their lives to be made by people who live and work among them. For communities to have faith that the local representatives that they elect have real powers to enact their wishes, the legal position of local government needs to be enhanced and secured. The LGA is working together with COSLA, WLGA and NILGA to call for the greater freedoms.

The LGA has called for a convention to debate and agree a constitutional settlement for England, Scotland, Wales and Northern Ireland. The convention’s remit should include devolution of responsibility for public services and fiscal powers to local government. We see no reason why this should delay the legislation currently before Parliament.