

Falling short? English Devolution Policy, OECD evidence and constitutional change

Local Economy
2025, Vol. 0(0) 1–17
© The Author(s) 2025



Article reuse guidelines:
sagepub.com/journals-permissions
DOI: 10.1177/02690942251400273
journals.sagepub.com/home/lec



Janice Morphet¹  and John Denham²

Abstract

The Labour Government's English Devolution Policy (EDP) as set out in the English Devolution White Paper *Power and Partnership: Foundations for Growth* (EDWP) and the English Devolution and Community Empowerment Bill (EDCE Bill) adds further complexity to the already asymmetric devolution settlement across the UK. Here, we assess this devolution policy against two key objectives set by the EDWP. First it claims to create a long-term constitutional settlement for England which will address the constitutional gap in sub-national delegation apparent since the 1998 UK devolution settlement. Second, the government objective is for growth, as set out in the Prime Minister's Growth Mission and Plan for Change. To achieve both objectives, the EDWP purports to rely on evidence from the OECD on the conditions within which sub-national territories can achieve growth and contribute to national GDP. The article examines how far the proposed reforms of sub-national government in England Devolution Policy actually reflect the evidence of the OECD research. It finds the EDP only partially reflects OECD guidance, suggesting that the impact of EDP on both democratic and economic objectives will be limited.

Keywords

accounting officers, centralising the state, combined authorities, devolution, England, English Devolution White Paper, integrated settlements, London government, strategic authorities

Introduction

The Labour Government's English Devolution Policy (EDP) is set out in the English Devolution White Paper *Power and Partnership: Foundations for Growth* (EDWP) (MHCLG, 2024) and the English Devolution and Community Empowerment Bill (EDCE Bill) laid before Parliament in July 2025 together with its guidance (MHCLG, 2025d). EDP adds a further complexity to the already asymmetric devolution settlement across the UK. In this, we are assessing the likely success of

Government's EDP using the two key objectives as set within the EDWP. The government claims, firstly, to address the constitutional gap in

¹Bartlett School of Planning, UCL, London, UK

²Department of Politics and International Relations, University of Southampton, UK

Corresponding author:

Janice Morphet, Bartlett School of Planning, UCL, Central House, Upper Woburn Place, London WC1H 0NN, UK.

Email: j.morphet@ucl.ac.uk

sub-national delegation that has been in effect since the UK's devolution programme from 1998 onwards. It does so by claiming to create a long-term constitutional settlement for England (MHCLG, 2024: 9). The second Government objective is for more growth, as set out in the Prime Minister's Growth Mission and Plan for Change (HMG, 2024; MHCLG, 2024: 7).

An important part of the EDP is the government's claim, made in the EDWP, that it relies on research and evidence from the OECD on the conditions within which sub-national territories can achieve growth and contribute to national GDP which include clear institutional structures and arrangements between central and local tiers of the state (MHCLG, 2024: 22; OECD, 2019, 2020, 2021). This article examines how far the EDP's proposed reforms to sub-national government in England, both for democratic and growth objectives, uses this evidence within the OECD research: in particular we examine the extent to which the government and civil service, particularly the Treasury, are willing to use this advice to decentralise the state to achieve greater growth and productivity, rather than simply delegate the use of its powers while retaining control. It also considers whether objectives of EDP can be achieved by the resulting partial application of the OECD research recommendations and what further measures would reflect OECD guidance more fully and help deliver the Government's democratic and growth objectives which are here intertwined.

We first identify the key elements in EDP and then assess them against OECD recommendations for sub-national governance as a means of improving growth and productivity. We then consider the extent to which EDP meets the government's claim to offer a new constitutional settlement for England when seen in the context of the current centralisation of England and the wider UK devolution settlement.

English Devolution Policy

English Devolution Policy (EDP) will be achieved through the creation of new Strategic Authorities (SAs) across the whole of England. Strategic

Authorities are an evolution of the Combined Authorities created on an ad hoc basis in some parts of England since 2014. Initially, there will be three classes of SAs: Established Mayoral Strategic Authorities (EMSAs), Mayoral Strategic Authorities (MSAs) (those newly formed or in the process of being established) and Foundation Strategic Authorities. Only those with directly elected mayors will gain any significant enhanced powers and the government's clear expectation is that all areas will, in time, choose the mayoral model. It is not clear whether, when or how MSAs will graduate to or gain the same powers as EMSAs.

The EDWP sets out seven specific competences – areas of a statutory right to act, which are also broadly reflected within the EDCE Bill:

- transport and local infrastructure;
- skills and employment support;
- housing and strategic planning;
- economic development and regeneration;
- environment and net zero;
- health, wellbeing and public service reform;
- public safety.

(MHCLG, 2025d: para 2A) and a list of strategies that SAs will be expected to prepare (Morphet, 2025a).

It should be noted that the existence of a competence in an area such as 'environment and net zero' simply means that an SA has the legal right to act in that policy area: it does not mean that either specific legal powers or resources will be made available. The EDCE Bill also creates a statutory basis for SAs in primary legislation, for their establishment and powers rather than the bespoke and ad hoc methods that have been used hitherto (Denham and Morphet, 2025). It will also be possible for Mayoral SAs to request additional powers. These might be for an individual SA, such as a pilot power that might in time be extended to other SAs, or an addition to the powers available to all. Ministers will be able to reject requests, agree to pilots or extend to all SAs in the same class. Neither the EDWP or the EDCE Bill establish any principles which guide decisions over which

functions have been given legal status within the devolution framework and or set out the legal process or criteria by which decisions on extending new powers – whether by pilot or made available to all SAs – will be made.

The EDCE Bill aims to prevent the arbitrary removal of powers from the devolution framework once granted. It will thus create a ‘ratchet’ effect of increased devolved powers. As currently drafted this may not be watertight commitment and, in this and other elements of the EDCE Bill, Parliamentary scrutiny will expose whether the Government’s intentions are achieved. For the purposes of this analysis, we will assume that they will.

EDP will bring about a significant change in the relationship between local authorities and strategic authorities in all parts of England outside of London. There will be a major reorganisation of the structure of local government in the large parts of England that currently have two-tier county and district council structures. The EDP process will also transfer local government powers to the SAs, in fields including housing, transport and strategic planning (Morphet and Clifford, 2025). As the EDCE Bill also gives Mayors more autonomy in decision making by reducing the level of support required from the unitary authorities to the SA, the overall effect is to take powers upwards from local authorities to individual mayors (Morphet, 2025a). A key function established by the EDCE Bill is the responsibility placed on SAs to produce local growth plans. These must comply with ministerial guidance on the production, content, alteration, replacement and interpretation of local growth plans (MHCLG, 2025a). The EDCE Bill will also require local authorities to deliver ‘effective neighbourhood governance’, but the legislation empowers Ministers to prescribe how this should be done and does not give rights to voters or communities.

Finance

The delivery of EDP depends on government policy commitments for funding which are not

included in the EDCE Bill. Instead, funding within EDP depends on the agreement of ‘Integrated Settlements’ for Established MSAs that merge some 90 individual spending initiatives currently available to local government in England into five pillars and have initially been applied in two areas – Greater Manchester and West Midlands, with other SAs joining this group in following years (Morphet and Denham, 2023). Each Integrated Settlement is managed by a Programme Board chaired by a senior civil servant as required by the Accounting Officer (AO) procedures set by the Treasury (HMT, 2023a, 2023b, 2024; MHCLG, 2023). The government will assess the respective Mayors’ progress in delivering these Integrated Settlement programmes using a single outcomes framework that will be bespoke for each settlement (MHCLG, 2025c). In London, the Mayor will have an Integrated Settlement from 2026, while the Overview of the Outcomes Framework will be undertaken by the GLA. However, the Integrated Settlement expenditure for London will still be subject to a Programme Board, which will be chaired by an official from MHCLG (GLA Oversight Committee, 2025). The government promises greater financial stability by making multi-year funding settlements a core component of EDP. In the longer term, the government states its aspiration that this will be a settlement within the national accounts, potentially like the block grants provided to the DAs and not subject to the current short-termism of the fixed spending review periods.

Neither the short-term arrangements for Integrated Settlements nor multi-year settlements are included in the EDCE Bill. This means that the funds available to implement English devolution remain almost entirely at the discretion of HMT. Those finance measures which are included in the EDCE Bill are much more limited in scope. Mayors will be able to raise a precept on the Council Tax to fund activities within their competence and raise Community Infrastructure Levies on development (in addition to those already imposed by local

authorities). The exercise of both powers is limited by practical electoral politics. Subject to initial government approval, Mayors will also be able to borrow but, as borrowing must be secured against assets or secure income streams, it is not clear how significant this power will be in practice. At the time of writing, the government was resisting calls to allow MSAs to raise the type of visitor levy common in many other nations.

Accountability

England's new governance system will be established within a strong framework of upwards accountability to central government for SAs and local authorities through new and separate groups of Outcomes Indicators (MHCLG, 2025c). The responsibility for negotiating the Integrated Settlement rests not with the directly elected mayor but with the chief executive of the Strategic Authority together with the lead AO from MHCLG and the AOs from the central departments contributing the funding to be used in the Integrated Settlement (MHCLG, 2025b: para 99). SAs in receipt of Integrated Settlements will be required to deliver outcomes agreed with central government departments and no doubt in line with agreed requirements with HMT (Jones, 2025). Financial accountability will flow from SA Chief Executives through MHCLG, departmental AOs and ultimately to HMT.

The EDWP supported the principle of Local Public Accounts Committees that might provide more robust local scrutiny of devolved and other public spending in local areas. In principle, stronger local scrutiny might offset the pressures for upwards accountability. However, LPACs have not been included in the EDCE Bill and it is not clear whether or when proposals might be brought forward.

Participation of government departments

The effective operation of EDP depends on the participation of government departments across Whitehall. The EDWP expressed strong support for delivery engagement for SAs from some government departments – particularly

DESNZ, DWP, DfT and MHCLG. There was less commitment to engagement from other departments with locally delivered programmes including DEFRA, DfES and DCMS (Morphet, 2025a). The EDWP outlined many areas where government agencies such as Homes England would be expected to engage with SAs, possibly transferring funding in due course. An example of this is in the EDCE Bill that will enable SAs to exercise some housing powers currently held by government departments or agencies, either jointly or separately. However, even where the policy aim has been set out in the EDWP, the EDCE Bill does not provide for the full devolution of such departmental functions. Instead, the Bill will enable SAs to exercise housing powers in conjunction with Homes England, but this must be in line with Homes England's objectives set by central government.

More generally, there is nothing in the EDCE Bill to require the participation of Whitehall departments in the devolution process. It does not ensure that adequate finance is made available to exercise devolved powers, nor provide for any dispute mechanism to resolve the inevitable conflicts that will arise over the practical implementation of policy. While there will be large areas of policy where local and national governments share similar policy objectives, and where local delivery flexibility will improve outcomes and value for money, the overall framework appears as one of delegation rather than devolution.

The OECD guidelines for sub-national decentralisation to support growth

As the EDWP cites the research of the OECD as a core component in dealing with one of the strategic purposes of the EDWP and included in its title, that is to improve growth and productivity in sub-national economies in England, we turn to examine the relationship between the contents of the EDWP and the OECD research.

The OECD has undertaken a range of research on the stimulants and conditions for sub-national growth within its Local Employment and Economic Development (LEED) Programme since 2000. This policy approach, including its associated research programme, is anchored in Krugman's work that demonstrates that nations need both external and internal trade to support economic growth (Krugman, 1980, 1999) and that this is associated with decentralised forms of government. While the OECD, together with the EU and the World Bank, has been developing and refining this research to provide advice to their members for 25 years (Dijkstra et al., 2019; OECD, 2019), the attention to this within the UK has been weak. An early response was through the Sub-National Review of Economic Development and Regeneration (HMT, 2007) which was never fully implemented. Subsequent models of sub-national governance have been insubstantial and ephemeral examples of successive transitional territorialism (Pemberton and Morphet, 2014), moving from Regional Development Agencies and Government Offices for the Regions (Mawson and Spencer, 2014), Local Enterprise Partnerships (McGurk and Meredith, 2018), City and Growth Deals (Morphet and Denham, 2023) and Combined Authorities (Roberts, 2020) all now abolished or in the process of being fully replaced. The latest iteration of SAs will cover the whole of England's territory, with the exception of the GLA, created as a local authority as part of the 1998 UK devolution settlement.

In considering the EDWP objective of achieving economic growth equivalent to that in other OECD member states in English cities, the EDWP cites the findings of five OECD papers (2014, 2020, 2021, 2023, 2024, and EU-OECD 2019) and one (OECD, 2019) embedded within OECD (2020), with particular focus on that which addresses UK's core cities (OECD, 2020). In this, a range of issues which are inhibiting growth are identified in the UK sub-national government institutional model based on research in other states with economically successful cities and sub-regional areas. The

extent of the issues facing the UK in achieving sub-national growth is expressed in terms of investment at this scale, with the UK having the lowest investment of any G7 country and currently ranking 30th in the OECD's membership of 37 states (MHCLG, 2024: 21). The evidence of the OECD (2019, 2020, 2021) cited in the EDWP recommends a programme of reform in sub-national governance and its institutions in the UK and particularly in England which would move it from a highly centralised model to one which is more devolved and where policies are more integrated vertically and horizontally through layers of government which are more equal and independent than currently.

The OECD papers (2019, 2020) also identify some key issues that reduce opportunities for sub-national growth including fragmented institutions for transport and other democratic decision making, that are too small and competitive to be able to serve the wider economic growth agenda in comparison with more successful areas. This institutional fragmentation is described as being both horizontal, within and between functional economic areas (FEAs) (generally defined through journey to work areas), and vertical between different scales of government including the central state. The OECD (2019) also finds that an absence of a strategic spatial plan for these FEAs, which is integrated with growth, employment, housing, energy, skills and transport in its development policies and implementation programmes, inhibits growth and recommends that this be addressed. This strategic integrated spatial plan approach is also being used by the World Bank in other parts of the world in order to stimulate growth and productivity in FEAs. The OECD (2020) also finds that short-termism and uncertainty in funding for sub-national scales of government undermine growth. In the UK, the OECD (2020) cites the deals introduced from 2014 onwards as a particular example of this insecurity and instability in governance and responsibilities (Morphet, 2022). It also states that FEAs require long-term financial settlements which can be guaranteed and not subject

to changes in government priorities. The OECD Handbook on Decentralisation (OECD, 2019) also indicates that the population size of administrative units should be at least 500,000, and these units should be working together at a more strategic scale.

Within the paper on the UK (OECD, 2020), the OECD recommends the application of decentralisation within the state to sub-national institutions through 10 guidelines as set out in its decentralisation handbook for policy makers (OECD, 2019). The OECD guidelines for making devolution work are summarised in Table 1.

In this, the OECD states that outcomes ‘depend greatly on the way decentralisation is designed and implemented’ (p 11). These guidelines state that there should be long-term institutional security for FEAs and constitutional is its character and not subject to frequent cycles of changes each decade, as in England. Associated with institutional security, the guidelines state that there should be long-term financial settlements that are related to decentralisation of the state’s functions and finances, to an agreed proportion of its activities. The degree of devolved responsibilities illustrated is

very diverse across regions in terms of geography, demographic size, institutional settings and responsibilities. In federal countries, state

governments stand out for their high level of spending, representing 35.2% of total public spending, compared to 8.7% in unitary countries (OECD, 2022: 16).

To reflect this diversity and, at the same time, identify common characteristics in terms of governance, institutions, responsibilities and funding, this OECD report identifies a typology of regional governance models used across OECD countries into four families as follows:

- (1) Regions with legislative powers: their main characteristic is the attribution of legislative power to a regional assembly. They have large responsibilities, whose content is defined and guaranteed by the Constitution or similar instrument. In federal and quasi-federal countries, the federated states (or regions) have, in most cases, their own constitution (Canada is an exception), parliament and government. Regions with legislative powers also exist in unitary countries, in particular those that have asymmetric regional governance arrangements (e.g. Finland and Portugal) (Allain- Dupré et al., 2020).
- (2) Decentralised regional governments: self-governing legal entities in unitary

Table 1. Ten guidelines for making decentralisation work.

Guidelines	
1	Clarify the responsibilities assigned to different government levels
2	Ensure that all responsibilities are sufficiently funded
3	Strengthen subnational fiscal autonomy to enhance accountability
4	Support subnational capacity building
5	Build adequate co-ordination mechanisms among levels of government
6	Support cross-jurisdictional co-operation
7	Strengthen innovative and experimental governance, and promote citizen engagement
8	Allow for and make the most of asymmetric decentralisation arrangements
9	Consistently improve transparency, enhance data collection and strengthen performance monitoring
10	Strengthen national regional development policies and equalisation systems

Source: OECD (2019) Making Decentralisation Work: a handbook for policymakers.

countries or quasi-federal countries with elected bodies. They have some autonomy over their spending decisions. They have access to various sources of funding, including grants and subsidies, tax revenues, user charges and fees. They may also have access to borrowing. There is no one dominant model of funding.

- (3) Co-operative regions: arise from the co-operation of existing local authorities, at the regional level, with legal status. While limited, their tasks often include regional development and spatial planning, EU funds management, among other tasks with clear region-wide benefits. Usually, they have their own budget funded by contributions from municipalities and central government transfers.
- (4) Planning or statistical regions: units established by central government to plan at and/or provide statistics at the regional level. In general, they have few powers. In some rare cases, they have a legal status with their own administration and budget

(OECD, 2019).

The constitutional element of decentralisation is also considered to be an important feature by the OECD:

Decentralisation is enshrined in several national constitutions, as a fundamental principle to deepen democracy, improve the balance of powers between higher and lower levels of government and ensure the effective participation of citizens in decision-making. In theory, this constitutional status protects subnational governments' democratic structure and functioning from central government interference or dismissal. The constitution thus represented a safeguard against arbitrary dismissal of local government (Shah, 2017 quoted in OECD, 2019: 33).

Within this, those countries with the application of greater levels of decentralisation are

found to be the most economically successful (OECD, 2019: 113). Below we will consider which level of regional governance model best describes the EDP.

To what extent does EDP apply OECD governance guidelines for decentralisation?

EDP addresses a number of the OECD guidelines for the sub-national institutional conditions for growth. Policies and proposals that address guidelines 4 (capacity building), 5 (coordination between tiers of government), 6 (cross-jurisdictional cooperation), 7 (strengthen innovative approaches to government) and 8 (allow for asymmetric devolution arrangements) are mentioned in the EDWP with some attempt to demonstrate how they might be implemented in practice. In response to guideline 7, on 'strengthening innovation and experimental governance, and promote citizen engagement', there is a strong focus on the need for sub-national institutional units of government of 500,000 population in a complete coverage of Unitary Authorities (UAs) in England (although Ministers have also indicated a willingness to consider proposals for smaller authorities).

The proposals for local government re-organisation to create unitary and strategic authorities across England and the new swathe of strategies, which are expected to be integrated with each other (Morphet, 2025a), will do much to increase the size and scope of sub-national government institutions while reducing the internal fragmentation which has been criticised as being ineffective (OECD, 2020) although it will reduce the number of elected councillors in some current two-tier local authority areas by 90%. The EDCE Bill includes provision for centrally set effective neighbourhood governance. The extent to which Guideline 7 will be met is yet to be made clear and appears to exclude the role of existing town and parish councils.

There is an expectation that these new UAs will work together in larger units both within SAs and beyond this in wider regional areas on issues such as transport. However, there are no proposed powers within the EDWP to allow SAs to pool their powers in larger pan-regional bodies, analogous to local authorities being able to form Combined Authorities or work in joint committees although subsequently encouragement to do so has been given (MHCLG, 2025b). This leaves arrangements potentially uncertain, informal and pragmatic rather than meeting these wider regional needs of horizontal integration.

The proposals also provide for new Spatial Development Strategies and Local Growth Plans for each SA. These must reflect other strategies and functions delegated to the directly elected mayors of these bodies including for energy, transport, skills, and housing. The growth strategy will be linked with the Integrated Settlement where these have been implemented (MHCLG, 2025c).

OECD Guideline 9 is addressed in part in the EDWP through the recognition of the importance of data collection and performance monitoring. The EDP contains data sharing provisions, but the creation of a national data strategy remains outside the legal devolution framework while the third element of guideline 9, transparency, is not included.

What is recommended by the OECD governance guidelines and not included in EDP?

As previously discussed, the EDCE Bill does not create an adequate legislative framework for fiscal devolution and funding, local accountability or the participation of all government departments. We now compare the EDCE Bill with OECD guidance and consider, in particular, whether EDP is likely to create the optimal conditions for the growth that the government seeks using this approach which includes democratic reform.

OECD (2019) identifies the need to ensure that funding for devolved functions accompanies the transfer of powers as an important feature of decentralisation. This is through the application of fiscal autonomy, where sub-national institutions can determine how they might raise funding through local taxes for sales or tourists, for example. The OECD's guidance states that a general principle is required which all levels of government understand and that, once applied, funding should follow functions. The EDP provides no statutory guarantee that the funding available will enable the delivery of devolved functions. EDP neither ensures adequate funding for devolved responsibilities' nor offers any significant measure of fiscal autonomy or decentralisation.

The OECD (2019, 2020) recommends an openly determined formula for the settlement of funds to support economic and social redistribution between areas and that the sub-national institutions should be focused on reducing deprivation in their areas. EDP contains no explicit formula for the funding of SAs for economic and social redistribution (or for other purposes). The current review of 'fair funding' for local authorities (MHCLG, 2025e) is taking place entirely outside the overall strategy for devolution and will be determined solely by central government. Nor does EDP offer any forum in which strategic funding issues can be discussed between devolved English governance and the centre.

The third OECD guideline identifies fiscal autonomy as an essential feature to be included and identifies a potential range between 35.2% and 8.7% (OECD, 2022). There was no indication of where the proposals for England sit on this scale included in the EDWP or the accompanying Integrated Settlement processes nor does the EDCE Bill address the issue. Indeed, the continuing Whitehall influence over Integrated Settlements underlines that fiscal autonomy plays little or no part in EDP (MHCLG, 2024, 2025b). The Integrated Settlements are suggested by Government as a commitment to multi-annual budgets although

this would need to cross the temporal barriers of Parliamentary cycles. There is no formal timescale provided in EDP for all SAs to receive integrated settlements, which could be many years.

Accountability

In the structure of the Integrated Settlements proposed by government for the SAs, the Treasury requires that these be controlled by central government and hence the basic principle of delegation, devolution or decentralisation for England is not fulfilled in these proposals. The AO system is reinforced through their chairing of Integrated Settlement Programme Boards (GLA Oversight Committee, 2025; HMT, 2023a; MHCLG, 2023, 2024, 2025b). Where Permanent Secretaries of government departments in Whitehall are accountable to the Public Accounts Committee in Parliament, power remains at the centre rather than with the democratically elected mayors of the new SAs. While the Devolved Administrations (DAs) provide a weak delegated government model, they have single AOs, although these remain members of the UK civil service. In terms of funding and finance, the Integrated Settlements are to be negotiated by the SA chief executives with the MHCLG AO in charge, together with the AOs of the contributing central departments. These will also be the reporting arrangements to the PAC (MHCLG, 2025b). There is no mention of the role of the democratically elected Mayor in these processes. The requirements for SAs to deal with deprivation or any sense that the distribution of funding in the Integrated Settlements will be based on either economic development need or social indicators are absent.

The participation of different government departments in the proposed delegated functions set out in the EDWP varies. For some government departments, there appears to be an enthusiastic response to the engagement of the SAs in the delivery of their policies and projects – particularly for transport, energy and

skills (Morphet, 2025a). These were three areas that were particularly hard hit following Brexit, when policy priorities and funding associated with the UK's membership of the EU were lost to individual Government Departmental implementation and subsequently centralised by the Treasury (Morphet, 2025b). The EDWP proposals may provide a mechanism to return the certainty and scale of these Departmental budgets together with policy attention. The role AOs on Programme Boards and the Outcomes Framework for each Integrated Settlement will give Departments an opportunity to set priorities and secure funding in ways that may be more difficult to exercise than at present. This control is demonstrated through the Single Outcome Frameworks for Greater Manchester and the West Midlands which include detailed targets for transport, for example (MHCLG, 2025c).

The conditions for growth

As noted in Table 1, each OECD guideline rests on a form of codification in 'significant detail in legal and regulatory frameworks'...that... 'would clarify each subfunction, the role of various levels of government in policy, legislation, standards, oversight, financing, provision/administration, production, distribution, performance monitoring, evaluation, citizen complaints, feedback and redress mechanisms' (OECD, 2019: 136). The potential benefits to economic growth are through 'balanced decentralisation – that is, when the various policy functions are decentralised to a similar extent – is conducive to growth' (Kim and Dougherty, 2018: 11). The OECD (2019) indicated that education should be decentralised, but under EDP only adult skills policy will be devolved. School age education will remain the responsibility of central government, although often delivered by autonomous Trusts accountable ultimately to ministers, while the remainder of FE and higher education will remain outside local influence.

Guideline 10 on strengthening national regional development policies may be addressed

through various elements of the government's industrial and growth policy, but this falls short of any legal duty to ensure greater regional equality. There are no legal provisions or policy commitments to ensure that funding of devolved governance reflects the challenges facing more deprived regions, let alone that funding should be sufficient to meet their challenges.

The EDCE will require each SA to produce a local growth strategy. The economic and specific growth content of the EDWP is within the remit of Department of Business and Trade (DBT) and the Office for Innovation. [OECD \(2019\)](#) recommends strongly that these are to be locally defined by democratic authorities. The guidance on the development of these strategies within SAs ([MHCLG, 2025c](#)) has a narrative of local determination, but the processes set out include clear advice to work with different government agencies and funding bodies at each stage. The Treasury is not a major contributor to the EDWP, but it has indicated that the use of the National Wealth Fund as Strategic Partners in the growth strategies will be 'tailored' with task forces set up for this purpose ([Inman, 2025](#)), enabling central control.

Capacity building in the new SAs is accompanied by the suggestion that leadership teams could be supported by civil servants seconded from government ([MHCLG, 2024: 109](#)). This has already occurred in existing Mayoral Combined Authorities through seconded or former civil servants in the leading roles. As [Anderson and Arnold \(2025\)](#) report, the politicians in the Combined Authorities welcome these secondees as they speak the language of Whitehall. However, as shown in the Total Place initiative, this creates a one-sided, top-down approach where the local is always framed in the context of the centre ([Burton, 2010](#)). In his proposals for devolution, former Prime Minister Gordon Brown ([Brown, 2022](#)) suggested transferring 50,000 jobs permanently from Whitehall and NDPBs ([Denham, 2025](#)). This might be a more decentralised approach, although this appears to

be interpreted as geographical relocation rather than institutional reform. Further, [Reeves \(2025\)](#) has proposed that the SAs should collaborate directly with Permanent Secretaries from the Treasury and MHCLG in order to refine their policy priorities to be in line with those of central government in return for extra funding. Greater Manchester will be the first SA to be offered this closer relationship. However, no specific devolution or decentralised government purpose has been associated with this approach.

While the OECD recognises that decentralisation is frequently practised in an asymmetrical way, as in the UK, the types of institution designated in the EDWP continue to be in competition for status and resources between the types of proposed SAs. Although the strategy set out in EDWP creates a long road of expectations, there is no indication that this partial application of the evidence for sub-national growth provided by the OECD will produce the economic stimulus the government is seeking ([HMG, 2024](#)). It rather appears that this partial application of OECD advice is being used to extend a more delegatory than devolutionary state through encouraging compliance and acceptance of these proposed approaches by the individual SAs, creating versions of the central state at local level with little or no control being exercised by those democratically elected. On one hand, the EDWP extends some greater authority to the most developed SAs at the same time as creating a policy framework which ensures that SAs cannot deviate significantly from the priorities and outcomes set by the centre. This may become a significant issue in the relationship between the Industrial Strategy for England and local growth strategies, not least in the access to investment finance from central government to support delivery. The industrial strategy of an active state needs to function coherently across central, regional and local levels. The temptation is to ensure that sub-national authorities align with central priorities, rather than focussing on their assessed local economic needs, risking

limited autonomy in making the contribution to growth and productivity identified by the OECD.

It is clear that adherence to OECD guidelines in EDP is partial. While the devolved competences and the statutory devolution framework provide some clarity as to which powers will be exercised and at what level, there are no clear principles to govern the proposed and possibly future functions in the devolution framework. A measured judgement might place EDP as a weak version of level 3 (cooperative regions) identified by the OECD, with particular gaps in funding, fiscal autonomy and local policy control.

EDP and England's constitutional settlement

The EDCE Bill is intended to deliver the long-term constitutional settlement for England promised in the EDWP. Discussion on the potential options for a constitutional settlement for England has been on-going since 1998. In particular, the Anglo-Centric constitutionalism in England (Denham and Morphet, 2025) has simultaneously denied England a distinct national executive or a political government (Walker et al., 2025). While there has been an attempt to separate the decisions for English legislation in Parliament by holding English Votes for English Laws (EVEL) between 2015 and 2021, as Gover and Kenny (2016) state, this was not a successful approach to provide meaningful English representation at Westminster. Successive governments have also used a range of legislation and practices including 2011 Localism Act, COVID-19 and the Levelling Up and Regeneration Act 2023 to remove powers, resources and autonomy from English local government. This has also been apparent through the application of austerity policy (Gamble, 2015) and moving away from needs-based assessments for funding by shifting to deals incorporating ever wider funds and activities which have hitherto been within local

authority control (Morphet and Denham, 2023; National Audit Office, 2023). While EDWP stated that the deal structures would end in England, there have been subsequent new deals offered to local authorities in 2025, for example, those for defence, culture and pride in place.

As sub-national government structures and institutions in England do not enjoy even the limited constitutional basis of Scottish, Welsh and Northern Irish devolution (Gamble, 2006; Leyland, 2002; O'Neill, 2000; Walker et al., 2025), the process of recentralising the state has been increasing since Brexit (Morgan and Jones, 2023; Morphet, 2021; Mullen, 2019). Sub-national government in the UK is one of most centralised in the OECD (GLA Economics, 2024) while research used to underpin the EDWP indicates that increased government centralisation of sub-national government has a negative impact on economic growth and productivity in urban and rural locations (OECD 2016, 2019, 2022). The UK constitution is unwritten and relies for its operation on the Westminster Model (WM) where power is distributed between the executive, which is the government, parliament and the civil service (Bevir, 2008; Mitchell, 2010; Russell and Serban, 2021). While the DA's Parliaments and Assembly have some legislative powers, post-Brexit legislative changes, together with the Miller case (Elliott, 2017; Endicott, 2017) and the failure of the Sewel Convention to be upheld (McHarg, 2018), have created a two-way process for powers to be moved, both down and then back to Whitehall. While it is assumed that the Scottish and Welsh Parliaments and the Northern Ireland Assembly would never be abolished by the UK Parliament once established, this remains a technical possibility as one Parliament's decisions cannot fetter those of its successors (Allan, 1983). This domestic legislation does not have the long-term, overarching powers over parliament of a treaty or written constitution. While the UK was a member of the EU, the principles of subsidiarity in the Treaty for the European Union

(TfEU) provided a legal basis and principle for devolution of power, functions and decision making in the UK (Arribas and Bourdin, 2012; Van Hecke, 2003).

Into this uncertain institutional landscape, with inconsistent policies across the UK (Denham and Wilson, 2022), the EDWP has stated its objectives to create a long-lasting constitutional settlement for England without setting out in detail how it proposes to achieve this in a foundational way. One test of the EDP is whether it gains sufficient acceptance to preclude future fundamental change (Kaye and Eke, 2025). Since 1990, sub-national institutional arrangements have each lasted only 10–15 years (Mawson and Spencer, 2014).

In considering the English proposals in comparison with those implemented for the DAs in 1998, there are also significant differences. The membership of the Council for the Nations and Regions, established by the Prime Minister in July 2024, suggests some parity of esteem if not of power between the equal membership of First Ministers and directly elected mayors in England (Walker et al., 2025). It is a consultative not a decision-making body. English directly elected mayors have fewer delegated powers and resources than First Ministers. There also remains the issue of representation at these meetings for the subnational level of government in the DAs. In the enhanced growth settlement offered by the Chancellor of the Exchequer (Reeves, 2025) for Greater Manchester, West Midlands and West Yorkshire, Glasgow was offered a similar settlement but seemingly without any new institutional government structures nor access to the Prime Minister's Council.

Further, the Mayors and Leaders Council for England, established in 2024, under the chairmanship of the Deputy Prime Minister, is also mentioned in the EDWP as a new English institution. However, this Council does not have the same structure as the Parliaments and Assembly in the DAs nor are there any proposals to create a similar body for England. Meanwhile, it is the Permanent Secretaries of

UK Government departments acting for England who will retain powers over spending priorities and programme decisions (MHCLG, 2025a). An English equivalent to the Parliaments or Assembly through the establishment of a nationally elected democratic group is not proposed; there is no national democratic legislative procedure or generic constitutional powers for England as a whole nor devolved legislative structures with England, as in DAs. The reintroduction of EVEL (Gover and Kenny, 2018) might be one way forward, but this does not reflect the scale and potential of a Cabinet for England as exists for Scotland, Wales and Northern Ireland. The government structures for England remain conflated with those of the UK (Denham and Morphet, 2025) and the uncertainties this brings for both government ministers and the decentralisation of powers are a continuing issue, as recognised by the Brown Commission (Brown, 2022).

To complete the 1998 settlement and to apply the recommendations of the OECD, there needs to be a separate structure of officials for England, distinct from that of the UK and possibly a senior Cabinet Member responsible for coordinating and implementing policies that apply only in England (Denham and Rycroft, 2023). These officials would need to be separate from those running the SAs on behalf of their directly elected mayors, who will otherwise be their proxies, with some already seeing this as their role:

Mayors are the delivery arm of government and, working together, we're setting the standard for what devolution can achieve (Rotheram, 2024).

Despite the government's stated ambitions to provide a new constitutional settlement for England, many of the proposals floated in recent years have not been acknowledged let alone explicitly addressed. The proposed settlement for England remains discretionary and at the behest of central government leaving sub-national government in a supplicant role. This is reinforced through the control of

Integrated Settlements although the OECD recommendations are clear about the need for long-term security of financing and local discretion over its use. It can now be argued that the Anglo-Centric interpretation of the WM has increased the asymmetry between England and the DAs (Himsworth, 2007).

What an English devolution settlement could include...

Will the EDCE Bill include components of devolution that would enable the Government to meet the twin objectives set out in the EDWP? Will this offer the opportunity of a major reset for England or the UK constitution as a whole, with devolved nations having a role in shaping the on-going devolution settlement or will it provide a step on a more incremental journey (Denham and Wilson, 2022)? From the discussion here, the role of the OECD Guidance (OECD, 2019) is fundamentally important in meeting both objectives, but in the current proposals, only half the measures identified in this are being implemented. Could the government go further to enhance the potential for economic growth through its objective of implementing devolution in England and what will happen if it does not?

We would suggest that there are a range of measures that could be included in the Government's policy that would enable the twin objectives to be more fully attained. The first is to provide SAs with the powers of local authorities. The devolution framework could then be further developed through a convention between central, local and sub-national governments to agree how the powers ascribed to each are determined through common principles. To create that convention and to bring England into line with the other DAs, there needs to be a separate statutory body that represents local and strategic authorities in England. The funding available for the functions and services allocated in this way should be fully funded within this co-produced

statutory framework and there should be legislation to support a fair funding distribution and equalisation across England. Further, the co-produced statutory framework should include the extension of fiscal devolution. The requirements of OECD Guideline 7 could be met by creating a statutory duty on local and Strategic Authorities to set out how they will engage with local people and communities in a Communities Empowerment Plan (Denham and Liddington, 2024).

There also needs to be an accountability framework for SAs and local authorities to replace that currently proposed which reinforces accountability to the centre of government. The EDWP promise to explore the concept of Local Public Accounts Committees and the EDCE Bill should legislate for their introduction. Reform for the government of England as a whole is needed with Ministerial and civil service accountabilities separated between England and the UK and a senate for the nations and regions of the UK (Denham and Wilson, 2022). This could be developed further into a cabinet comprising First Ministers, although this would require solving the complex issue of who would be the FM for England (Walker et al., 2025). These could include options for appointed leaders such as using the role of Deputy Prime Minister or Secretary of State for England with enhanced coordination powers for policy and implementation (Denham and Rycroft, 2023), although this would require changes in the AO roles. Other options could include an FM chosen by England's MPs or a representative from the statutory Mayors' Council. Once this has been undertaken, the Council of Nations and Regions could be transformed into a body comprising the Prime Minister, the First Ministers of the DAs and a representative for England together with sub-regional representatives from within all four nations. This could then be the senior forum for the discussion of UK-wide issues, intergovernmental relations across the UK and the deepening devolution within all four nations.

Conclusions

Our analysis suggests that English Devolution Policy falls short of the ambitions set out for it in the English Devolution White Paper and the English Devolution and Community Empowerment Bill currently being considered by Parliament. While EDP prays in aid OECD evidence that links devolution positively with economic growth, it delivers only a limited level of decentralisation. Judged by the OECD guidelines, the impact on local, regional and national growth is likely at best be modest. At the same time, the financial and outcome-related accountability mechanisms set out in the EDP and associated Treasury documents leave open the possibility that even those devolutionary measures that are being rolled out may, in time, be reduced in scope and discretion. The EDP also makes only modest progress towards a promised new constitutional settlement for England. The new Strategic Authorities will be established on a robust legal basis and gain the right to request additional powers. However, the financing of devolution remains at the discretion of HMT and there will be no statutory forum which brings together developed local government with the UK government. No significant changes are proposed to the machinery of UK government through which England is administered at either official or parliamentary level. If the evidence published by the OECD is robust, then that devolution and constitutional reform for England remain the right aims. If the government continues to seek growth, it will need to revisit policy in these areas.

As noted, the present proposals are more centralising and run the risk of moving the UK into the fourth and lowest category of OECD decentralisation types with consequent lack of growth and productivity. Is the use of the term devolution correct in this context? What is unclear is whether England is moving into another period of weak, ephemeral, time-limited sub-regional institutions as before, that is, GoRs, RDAs, RAs, LEPs, CAs and

MCAs that appear to result in the civil servants' *prefet* model which was the objective in 1992. All the proposals within the EDWP depend on the government's discretion. Meanwhile, Whitehall will retain the power of decision making over the programmes to be adopted in the Integrated Settlements while holding the SAs to account if they are not delivered. The UK is already in danger of failing to meet the European Charter of Self-Government which it signed in 1997 (Leach et al., 2018). While admitting that Central Government has failed in its attempts to work at the local level in the EDWP (MHCLG, 2024: 7), why repeat the same formula again?

ORCID iD

Janice Morphet  <https://orcid.org/0000-0002-5406-7193>

Funding

The authors received no financial support for the research, authorship, and/or publication of this article.

Declaration of conflicting interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

References

- Allain-Dupré D, Chatry I and Moisis A (2020) Asymmetric decentralisation: trends, challenges and policy implications. OECD Regional Development Papers no 10.
- Allan TR (1983) Parliamentary sovereignty: lord denning's dexterous revolution. *Oxford Journal of Legal Studies* 3: 22–33.
- Anderson P and Arnold T (2025) *The State of Intergovernmental Relations in England Towards a New Era of Partnership?* Liverpool John Moores University.
- Arribas GV and Bourdin D (2012) What does the Lisbon treaty change regarding subsidiarity within the EU institutional framework? *Eipa-scope* 2012(2): 13–17.

- Bevir M (2008) The Westminster model, governance and judicial reform. *Parliamentary Affairs* 61(4): 559–577.
- Brown G (2022) A new Britain: renewing our democracy and rebuilding our economy report of the commission on the UK's future. The Labour Party.
- Burton M (2010) The public service challenge implementing the lessons of Total Place Municipal Journal.
- Denham J (2025) Constitutional reform' in from whitehall to town hall what the English devolution bill needs. *Compass*, pp. 8–12.
- Denham J and Liddington D (2024) The local governance of England. Constitutional Reform Group. <https://www.constitutionreformgroup.co.uk/download/thelocalgovernanceofengland>
- Denham J and Morphet J (2025) Centralised by design: anglocentric constitutionalism, accountability and the failure of English devolution. *The Political Quarterly* 96(1): 189–198.
- Denham J and Rycroft P (2023) 'Reforming England's National Governance' *Bennett Institute for Public Policy*. University of Cambridge. 12th September. <https://www.bennettinstitute.cam.ac.uk/blog/reforming-englands-national-governance/>
- Denham J and Wilson J (2022) Rethinking Labour's statecraft. *Renewal* 30(4): 38–45.
- Dijkstra L, Poelman H and Veneri P (2019) The EU-OECD definition of a functional urban area. In: *OECD Regional Development Working Papers, No. 2019/11*. OECD Publishing. <https://doi.org/10.1787/d58cb34d-en>
- Elliott M (2017) The Supreme Court's judgment in Miller: in search of constitutional principle. *The Cambridge Law Journal* 76(2): 257–288.
- Endicott TA (2017) Lord reed's dissent in gina miller's case and the principles of our constitution. *Oxford Legal Studies Research Paper Forthcoming* 8: 259–281.
- Gamble A (2006) The constitutional revolution in the United Kingdom. *Publius: The Journal of Federalism* 36(1): 19–35.
- Gamble A (2015) Austerity as statecraft. *Parliamentary Affairs* 68(1): 42–57.
- GLA Economics (2024) The impact of revenue centralisation on London's economic growth. <https://www.london.gov.uk/sites/default/files/2024-02/DevolutionandeconomicgrowthinLondon.pdf>
- GLA Oversight Committee (2025) Trusting London to deliver: our place in the Government's devolution reforms. City Hall, London.
- Gover D and Kenny M (2016) *Finding the Good in EVEL: An Evaluation of 'English Votes for English Laws in the House of Commons*. Centre on Constitutional Change.
- Gover D and Kenny M (2018) Answering the West Lothian question? A critical assessment of 'English Votes for English Laws' in the UK parliament. *Parliamentary Affairs* 71(4): 760–782.
- Himsworth CM (2007) Devolution and its jurisdictional asymmetries. *The Modern Law Review* 70(1): 31–58.
- HMG (2024) Plan for change.
- HMT (2007) Review of sub-national economic development and regeneration.
- HMT (2023a) Memorandum of Understanding for the "Trailblazer" Single Settlements for Greater Manchester and West Midlands Combined Authorities. HM Treasury. 22 November 2023. <https://www.gov.uk/government/publications/memorandum-of-understanding-for-the-trailblazer-single-settlements-forgreater-manchester-and-west-midlands-combinedauthorities>
- HMT (2023b) Managing public money. https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing_Public_Money_-_May_2023_2.pdf
- HMT (2024) Autumn budget.
- Inman P (2025) Reeves to instruct national wealth fund to work with mayors to boost growth. *The Guardian*. 23rd January. <https://www.theguardian.com/business/2025/jan/23/reeves-to-instruct-national-wealth-fund-to-work-with-mayors-to-boost-growth#:~:text=Reeve%20instruct%20national%20wealth%20fund%20to%20work%20with%20mayors%20to%20boost%20growth,->
- Jones D (2025) Darren Jones speech to Institute for Government. 20th March. <https://www.gov.uk/government/speeches/darren-jones-speech-to-institute-for-government> (accessed 17 November 2025).

- Kaye S and Eke S (2025) *Go Big or Go Home Governing England's Polycentric Regions*. Re State Think Tank.
- Kim J and Dougherty S (eds) (2018) *Fiscal Decentralisation and Inclusive Growth, OECD Fiscal Federalism Studies*. OECD publishing.
- Krugman P (1980) Scale economies, product differentiation, and the pattern of trade. *The American Economic Review* 70(5): 950–959.
- Krugman P (1999) The role of geography in development. *International Regional Science Review* 22(2): 142–161.
- Leach S, Stewart J and Jones G (2018) *Centralisation, Devolution and the Future of Local Government in England*. Routledge.
- Leyland P (2002) Devolution, the British Constitution and the distribution of power. *Northern Ireland Legal Quarterly* 53: 408–434.
- Mawson J and Spencer K (2014) The origins and operation of the Government Offices for the English regions. In: *British Regionalism and Devolution*. Routledge, pp. 158–179.
- McGurk P and Meredith R (2018) Local employer engagement or distant elites? Local enterprise partnerships and employment and skills in England. *Journal of Education and Work* 31(7–8): 692–714.
- McHarg A (2018) Constitutional change and territorial consent: the Miller case and the Sewel convention. In: *The UK Constitution After Miller: Brexit and Beyond*.
- MHCLG (2023) Levelling up white paper.
- MHCLG (2024) Integrated settlements for mayoral combined authorities. <https://www.gov.uk/government/collections/integrated-settlements-for-mayoral-combined-authorities>
- MHCLG (2025a) Guidance for mayoral strategic authorities on developing local growth plans. <https://www.gov.uk/government/publications/local-growth-plans-england/guidance-for-mayoral-strategic-authorities-on-developing-local-growth-plans#:~:text=LocalGrowthPlansmustinclude,theregionaleconomyatlarge> (Accessed 1st September 2025).
- MHCLG (2025b) Integrated settlement policy document. <https://www.gov.uk/government/publications/integrated-settlements-for-2025-to-2026>. <https://www.gov.uk/government/publications/integrated-settlement-policy-document>
- MHCLG (2025c) Integrated settlements outcomes frameworks for 2025 to 2026.
- MHCLG (2025d) English devolution and community empowerment bill: guidance. <https://www.gov.uk/government/publications/english-devolution-and-community-empowerment-bill-guidance/english-devolution-and-community-empowerment-bill-guidance>
- MHCLG (2025e) The fair funding review 2.0.
- Mitchell J (2010) The Westminster model and the state of unions. *Parliamentary Affairs* 63(1): 85–88.
- Morgan K and Jones RW (2023) Brexit and the death of devolution. *The Political Quarterly* 94(4): 625–633.
- Morphet J (2021) *The Impact of COVID-19 on Devolution: Recentralising the British State Beyond Brexit?* Policy Press.
- Morphet J (2022) Deals and devolution: the role of local authority deals in undermining devolved decision making. *Local Economy* 37(7): 622–638.
- Morphet J (2025a) Strategic authority strategies/responsibilities: working table v. UCL. 11 July 25.
- Morphet J (2025b) *The British Civil Service*. Bristol University Press.
- Morphet J and Clifford B (2025) *English Devolution White Paper 2024: Implications for Planning*. Town Planning Review, pp. 1–11.
- Morphet J and Denham J (2023) Trailblazer devolution deals: the next oxymoron in the policy litany of sub-national governance in England? *Local Economy* 38(8): 755–772.
- Mullen T (2019) Brexit and the territorial governance of the United Kingdom. *Contemporary Social Science* 14(2): 276–293.
- National Audit Office (2023) Levelling up funding to local government VFM report.
- O'Neill M (2000) Great Britain: from dicey to devolution. *Parliamentary Affairs* 53(1): 69–95.
- OECD (2016) Decentralisation and Quality of Public Finance: Intermediate Report. Paris: OECD.
- OECD (2019) Making Decentralisation Work: A Handbook for Policy-Makers, *OECD Multi-*

- level *Governance Studies*. OECD Publishing. <https://doi.org/10.1787/g2g9faa7-en>
- OECD (2020) Enhancing productivity in UK core cities: connecting local and regional growth. In: *OECD Urban Policy Reviews*. OECD Publishing. <https://doi.org/10.1787/9ef55ff7-en>
- OECD (2021) A comprehensive approach to understanding urban productivity effects of local governments: local autonomy, government quality and fragmentation, available at. <https://doi.org/10.1787/5ebd25d3-en>
- OECD (2022) Regional Governance in OECD Countries: Trends, Typology and Tools. *OECD Multi-level Governance Studies*. OECD Publishing. <https://doi.org/10.1787/4d7c6483-en>
- Pemberton S and Morphet J (2014) The rescaling of economic governance: insights into the transitional territories of England. *Urban Studies* 51(11): 2354–2370.
- Reeves R (2025) Chancellor unveils plan to turbocharge investment across the UK. speech 24th January. HM Treasury. January <https://www.gov.uk/government/news/chancellor-unveils-plan-to-turbocharge-investment-across-theuk#:~:text=There%20will%20also%20be,a%20part%20of%20the%20country.>
- Roberts J (2020) The leadership of place and people in the new English combined authorities. *Local Government Studies* 46(6): 995–1014.
- Rotheram S (2024) ‘Mayor Steve Rotheram welcomes Government’s devolution announcement’ 18th December. <https://www.liverpoolcityregion-ca.gov.uk/news/mayor-steve-rotheram-welcomes-governments-devolution-announcement>
- Russell M and Serban R (2021) The muddle of the ‘Westminster model’: a concept stretched beyond repair. *Government and Opposition* 56(4): 744–764.
- Shah A (2017), Horizontal fiscal equalization in Australia: peering inside the black box. <https://doi.org/10.13140/RG.2.2.29867.54564>
- Van Hecke S (2003) The principle of subsidiarity: ten years of application in the European Union. *Regional & Federal Studies* 13(1): 55–80.
- Walker A, Kenny M and Knight D (2025) A more collaborative way of governing? Why the UK’s Council of Nations and regions matters. The Open University and Bennett Institute for Public Policy, University of Cambridge.