**Devolution – what does this really mean?**

In the aftermath of the Scottish Independence vote of 2014 the response from Government was that more needed to be done on giving power to local areas and that ‘devolution’ of powers to areas of the UK would take place.

Here we are in 2017 and you could be forgiven for wondering what happened. Ask the man in the street what devolution means and you will probably get the response that devolution is about loosened control of funding to allow local areas to spend in those areas which it determined were most appropriate.

UK government’s definition of devolution appears to be somewhat different. Devolution took the form of City Deals and these appeared to be the backbone of the new ‘re-balancing the economy’ agenda trumpeted by George ‘Northern Powerhouse’ Osborne and Nick Clegg.

Mr Clegg warned us that: "Letting go of power and money doesn't come naturally to Whitehall. Over time, the economic importance of other parts of the country has been devastatingly downplayed, as the economic elite have narrowed the debate towards a London-centric view. Rather than let our industries and communities wither, we need to free up cities outside of London that have their own unique selling points”.

Of course, it was never going to be a perfect moment to deliver ‘devolved powers’ to local authorities at the same time as swinging cuts were being introduced to these organisations – much deeper than the cuts faced by the government departments from whom powers were being devolved. Then again, provided with the opportunity to wrestle some funding from central government when many local authorities feared bankruptcy, this was too great to miss and there has been surprisingly little criticism of the policy from those who were the recipients.

Early City Deals may have offered freedoms – but as time wore on and a General Election removed Mr Clegg – more and more requirements were imposed by Whitehall for those areas seeking to gain a deal. Combined authorities and a clear plan for how funding could be utilised, and then monitored by central government, really starts to suggest that ‘devolution’ had become a vehicle for the centre to outsource delivery locally once they had approved the plan and put in place a governance procedure to ensure that the policies that they approved were being implemented effectively.

The suspicion is that ‘devolution’ is actually a contractual agreement with government to deliver the policies they first approve. This is a far cry from the original acquiescence shown by government after the Scottish Independence vote. ‘Devolution’, like ‘localism’ before it, has become a slightly different model for how central government policies can be delivered locally – with the added benefit that if things go wrong the elected centre cannot be held responsible.

The remaining problem is that devolution and economic development would suggest some local determination and yet the UK is now in the process of developing its Industrial Strategy – a centre-led document determining the future direction of the economy. This flies in the face of the ‘devolution’ approach that neither Osborne nor Clegg are left to defend. There is every likelihood that in the national concentration on Brexit negotiations the whole rhetoric is conveniently forgotten – and as Mr Clegg predicted, the central civil servants would like nothing better than that.

Economic development professionals liked the idea of greater self-determination based on local evidence. The Institute of Economic Development (IED) would like this approach backed up by a statutory requirement for local authorities to have an economic development department. There is one area where the IED would like to see central government play more of a role, however, and that is in determining structures.

Whilst central government seeks to determine policies from the centre they tend not to have a strategic view about local delivery mechanisms. The result is a confusing mess which should be an area where more direction is given. ‘Devolution’ is now heralding combined authorities and elected mayors. How this fits in a District Council structure, or within LEP structures which can cover a different geography, is anybody’s guess.

So, from the Institute it’s a simple message. We would like strategic direction on delivery structures and their powers. We believe that any attempt to improve economic performance locally needs to see economic development as a statutory function, and once that is in place give areas the tools to enable self-determination.

That is what we think ‘devolution’ really means.

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