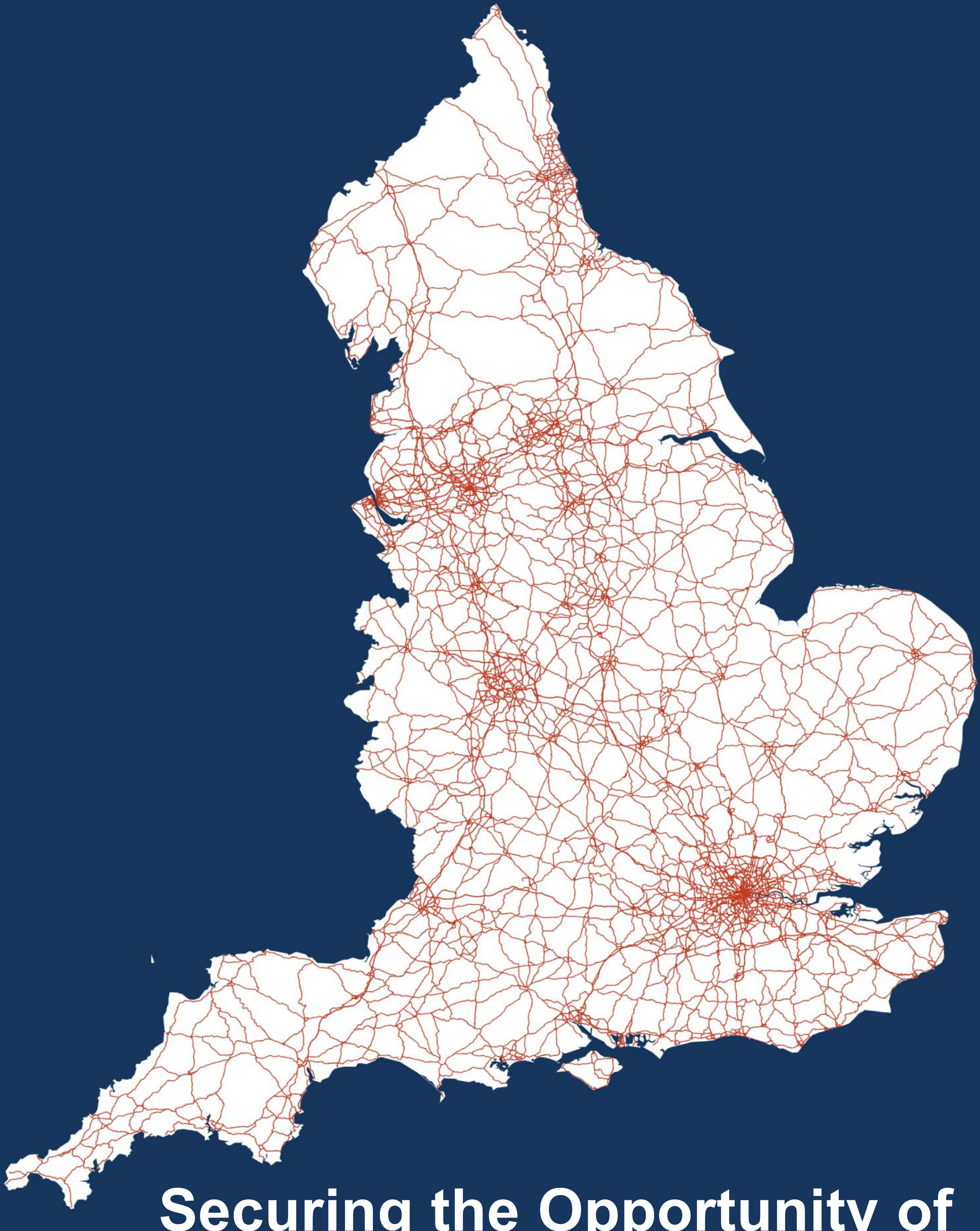

# Securing the Opportunity of Growth-Capable Devolution

## The Challenge Ahead

Mike Emmerich

# Foreword

This paper is the first substantive output of my Independent Review of Growth-Capable Devolution. It marks the point at which the review moves from gathering evidence to setting out its emerging diagnosis of the challenges facing England's strategic authorities, and the questions that must be answered if they are to become the institutions the country now needs.

The review is taking place against a rapidly changing political background following the formation of the new Government led by Prime Minister Andy Burnham last month. The publication of the Cabinet's statement *Rewiring the State* set out a vision for government whose importance is difficult to overstate.[1] It places devolution at the heart of the Government's programme for national renewal and signals a profound shift in the relationship between Whitehall and places. While the detailed implications will not become clear until the Government publishes its White Paper later this year, the direction of travel is unmistakable. Devolution is to become more important, not less. The ambitions placed upon places are to become greater, not smaller. The objective is nothing less than good growth in every postcode.[2]

That has an immediate implication for strategic authorities, whether mayoral or non-mayoral. They need to begin scaling up now.

This review does not attempt to anticipate every aspect of the Government's future reforms. It necessarily cannot. Nor does it speculate about institutional models that ministers have yet to propose. Instead, it addresses something more immediate, and arguably more fundamental.

The argument of this paper is that England needs growth-capable places of the kind few yet have. The strongest strategic authorities have not become effective by accident. They have developed institutions, capabilities and relationships over many years, drawing on experience from elsewhere in the United Kingdom and internationally. Many newer authorities are attempting to build those same capabilities while already carrying significant delivery responsibilities. If the Government's ambitions are to succeed across every part of England, that capability needs to become the norm rather than the exception.

This paper does not seek to provide answers. Its purpose is to surface the underlying issues that give rise to the need for stronger strategic authorities in the first place so as to help set out the right next steps in the final report. To that end, it poses throughout a series of questions to government, strategic authorities, local authorities, businesses, universities, civic organisations and others with an interest in the future of English devolution. I hope those questions provoke a wide national conversation.

If, as I hope, the Government chooses to work with this review as it develops its own programme of reform, it is vital that the experience of places across England informs that work. The challenge is to build a credible bridge between the realities of strategic authorities in 2026 and the ambitions now being set for them in the years ahead.

### Mike Emmerich

**August 2026**

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[1] Cabinet Office, *Rewiring the State*, July 2026
[2] Cabinet Office, *Machinery of Government changes,* July 2026

# Executive Summary

This paper is the first substantive output of the Independent Review of Growth-Capable Devolution. It does not attempt to prescribe the final shape of England's strategic authorities, nor to anticipate decisions that are properly for government. Its purpose is to identify the principal challenges now facing English devolution and to set out the questions the review will examine in developing its final recommendations. Put simply, the first phase of English devolution was about creating strategic authorities and devolving powers. The second must be about building the capability to use those powers well.

The paper starts from a simple proposition. England needs growth-capable places if devolution is to become a serious instrument of national economic renewal. Strategic authorities are not an end in themselves. They exist because many of the country's most important economic challenges, including productivity, housing, transport, skills, investment and regeneration, can only be addressed effectively at the scale of functional economic areas. The question is therefore not whether strategic authorities matter, but whether they possess the capability, resources and institutional foundations needed to fulfil the role now expected of them.

The paper argues that strategic authorities have already achieved a great deal. They have created visible political leadership across functional economic areas, delivered major programmes and begun to build strategic approaches to their portfolios. However, their responsibilities and the expectations placed upon them have grown much faster than their institutional maturity. England's strategic authorities do not begin from a common starting point. Some have inherited substantial institutions and decades of accumulated capability. Others are simultaneously building organisations while delivering major programmes. There is therefore no single organisational model and there is unlikely to be a single solution.

The central argument of this paper is that England's challenge is no longer principally one of devolving powers but of building capability. The first generation of devolution successfully established strategic authorities across much of England. The next phase must ensure that those institutions possess the leadership, capability, financial resilience, analytical capacity and relationships needed to discharge their responsibilities successfully and to support the much greater ambitions now being placed upon them.

Most strategic authorities lack dependable, independently controlled revenue with which to build enduring institutions. Capacity funding has been modest and intermittent. Capital funding has generally outpaced the revenue required to develop projects and maintain specialist capability. Although Integrated Settlements represent an important advance, detailed departmental accountability arrangements have significantly constrained the practical flexibility they were intended to provide. Whitehall, for its part, faces genuine accountability responsibilities and therefore has understandable incentives to retain control where confidence in local capability is limited. The consequence is a self-reinforcing cycle in which limited capability encourages central control, while central control inhibits the very capability that would justify greater devolution.

The paper argues that capability should not be understood simply as a property of the strategic authority itself. Growth-capable places depend upon effective systems rather than individual institutions alone. Strategic authorities, constituent councils, businesses, universities, health organisations, voluntary organisations, national agencies and other partners all contribute to the capacity of a place to make strategic choices and deliver them.

Strong strategic authorities cannot be created by weakening the institutions around them. Equally, successful devolution depends not only upon institutional structures but upon the relationships, trust, leadership and shared purpose that allow those institutions to act collectively.

Drawing on experience from England, the wider United Kingdom and internationally, the paper identifies the core capabilities that growth-capable places require. These include understanding their economies; making strategic choices; originating credible projects; assembling finance, land and partners; managing investment portfolios; delivering major programmes; evaluating results; and negotiating effectively with government, investors and national agencies. These capabilities are unevenly distributed across England today and are shaped as much by institutional inheritance and long-term investment as by formal powers.

The paper concludes that the next phase of English devolution requires a shift from incremental deal-making towards deliberate institution-building. That applies equally to places and to Whitehall. Strategic authorities need greater clarity of purpose, stronger institutional capability, more dependable revenue and a sustainable pipeline of leadership and specialist talent. Central government must also adapt, developing funding, accountability and support arrangements that strengthen local capability rather than unintentionally constraining it. Without changes on both sides of this relationship, the ambitions now being placed upon strategic authorities are unlikely to be realised.

This paper is intended as the starting point for that conversation. If England is entering a second phase of devolution, then institution-building must become as important as power-sharing. The review's purpose is to help ensure that every strategic authority, whatever its history or geography, has a credible route from where it is today to the growth-capable institution the country will increasingly require in the years ahead.

Throughout, the paper poses a series of questions to government, strategic authorities, local authorities, businesses, universities, civic organisations and others with an interest in the future of English devolution. Their responses will inform the review's final report and recommendations, which will set out a practical programme for developing the institutional capability needed to make growth-capable devolution a reality across England.

Views on all of them are warmly invited.

# Contents

# 1. The review

This review will develop a practical agenda for building the institutional capability that places need if devolution is to become a serious engine of economic growth. It is supported by the UK Dynamism Fund and designed to be useful to government, mayoralties, strategic authorities, local government, business and others.[3] The central question is:

*What would it take to equip UK places with the leadership, institutions, financial capability, analytical capacity, delivery machinery and national support needed to use devolution seriously for economic growth?*

The review will produce a public implementation prospectus setting out a practical programme for strengthening the institutional capability of England's strategic authorities. It will include a capability framework describing the functions and capacities required of growth-capable places; recommendations for strengthening leadership, strategic finance, economic analysis and project-generation capability; proposals for improving the relationship between places and Whitehall; and a route map for implementation by both national and local government.

The review intends to develop criteria for trialling its recommendations in a small number of places.

The review is led by Mike Emmerich, supported organisationally by Metro Dynamics and by a small advisory group chaired by Deborah Cadman. The advisory group includes:

- Will Burgon, HM Treasury
- Will Davis, Number 10 North
- Emma Lindsell, independent consultant
- Becky Shaw, East Sussex County Council
- Patrick White, Metro Dynamics
- Rob Whiteman, formerly of CIPFA
- John Wrathmell, Number 10 North

The role of this group will be to support and challenge the review's developing analysis and its proposals. It will not be a formal decision-making body. The conclusions of the review will remain those of Mike Emmerich. The review began in June 2026 and will report in October 2026.

[3] The UK Dynamism Fund is a new philanthropic fund, anchored by XTX Markets, and is being incubated by Renaissance Philanthropy.

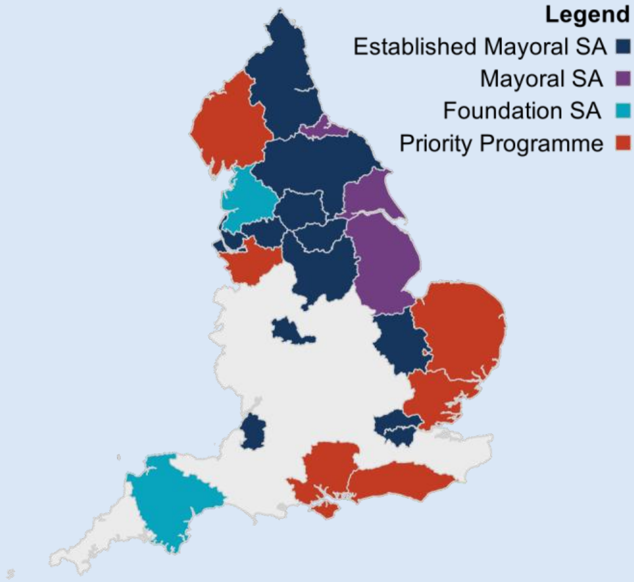
# 2. Purpose, scope and starting point

The review is concerned with England and its strategic authorities, both mayoral and non-mayoral. It is not a review of local government as a whole, although the relationship between strategic authorities and their constituent councils is central to the inquiry. Given that strategic authorities are not a single, uniform institutional type, it is worth setting out at the start how varied the current landscape is.

### The strategic authority landscape

As of August 2026, England has 22 strategic authorities, split across four tiers:

- **Established Mayoral SAs** (11) hold the fullest range of powers and have largely been in place longest, giving them the deepest institutional capacity.
- **Mayoral SAs** (3) are a more varied group – some are longer-standing authorities whose progress has been slower, others are recent additions still building capacity.
- **Foundation SAs** (2) are the non-mayoral tier, active but without a directly elected mayor.
- **Priority Programme authorities** (6) are those in the Devolution Priority Programme, working towards launch.




Coverage is not even across England, with the North's population now entirely within strategic authority areas, compared with 47% of the Midlands and 62% of the South (47% excluding London), against a national total of 70% of England's population.[4]

With continued expansion of the model, the economic geography of England's strategic authorities now contains wide cleavages. The first group are those with a clear primary city, with authorities focused on the large core cities: essentially monocentric places including Liverpool and Manchester and to a lesser degree the North East and West Midlands. A second group is made up of authorities that are still predominantly urban but much more polycentric in character, among them the East Midlands, Lancashire and Tees Valley. A third group is authorities of much larger areas built around one or two county towns, including Greater Lincolnshire as well as York and North Yorkshire and Cumbria.

Today's strategic authority model grew directly from that of the combined authority, which itself evolved out of Greater Manchester's early deals with central government. The Greater London Authority is a unique legal organisation in its own right, while among those that evolved from the combined authority model there remain very wide variations in powers, funding and inherited capability. For example, the former metropolitan counties inherited established passenger transport executives, while other areas are building transport bodies

[4] ONS, 2026

from scratch. As a result, some have existed in one form or another for many years and have substantial delivery bodies, specialist staff and institutional memory, while others are starting from a much smaller base. Across this national patchwork, there is no single institutional starting point and there is unlikely to be a single organisational answer.

### Questions

1. If the national objective is good growth in every postcode, does that imply a higher minimum expectation of a strategic authority in every place?
2. If so, what should that minimum be?

# 3. The emerging problem

## 3.1. New ambitions and varying foundations

The new Government led by Prime Minister Andy Burnham has accorded devolution a priority not previously seen in England. Its ambitions extend beyond the transfer of individual programmes or the negotiation of further bespoke deals. Based on the *Rewiring the State* Cabinet Statement, strategic authorities will largely be expected to lead economic development, transport, housing, skills, regeneration and investment, and to contribute more substantially to public-service reform. [5]

The starting point for assessing the prospects for this agenda must be the institutions that already exist. As the preceding section shows, 'strategic authority' describes a highly varied group of organisations. Their staffing, expenditure, programme portfolios, geography, age, powers and institutional inheritance differ substantially. Some employ hundreds of people directly and sit above delivery organisations employing many more, with responsibility for programmes and assets worth billions of pounds. Others have only small central teams, modest corporate budgets and are often closer in form to enhanced Local Enterprise Partnerships.

Variation is not in itself a problem. Strategic authorities cover very different economic geographies and should not be expected to adopt a single organisational model. A large monocentric city-region will not require precisely the same arrangements as a polycentric conurbation, nor need every capability required by a place sit within the strategic authority itself. The purpose of this paper is not to argue for strategic authorities simply because they exist. It is because government increasingly sees them as the institutions through which regional economic growth will be led. The question is therefore no longer whether they should exist, but whether they possess the capability needed to discharge that role successfully.

Strategic authorities have already demonstrated their value. They have created visible political leadership across functional economic areas and provided a forum through which councils can work together on issues that do not respect administrative boundaries. They have delivered substantial transport, housing, skills and regeneration programmes and, in some places, developed increasingly sophisticated investment pipelines. They have begun to impose greater discipline on the selection and development of projects, helping places to distinguish between attractive aspirations, serious investment propositions and schemes that are unlikely to be viable. Importantly, they have also started to create political coalitions around the interests of wider economic areas.

This process is necessarily uneven and takes time to develop. It is particularly demanding in places with several competing urban centres or distinct county and city identities. Nevertheless, the development of shared priorities, greater trust between leaders and a willingness to make growth-enhancing choices rather than simply distribute resources between constituent authorities are important emerging strengths. These are likely to deepen as strategic authorities mature and acquire greater experience of exercising responsibility together.

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[5] Cabinet Office, *Rewiring the State*, July 2026

The problem is therefore that the ambitions now being placed upon strategic authorities are growing more quickly than the institutional and financial foundations available to many of them.

## 3.2. Starting points and institutional inheritances

Greater Manchester illustrates the importance of institutional inheritance, although it should not be treated as a template for every other place. Its current strategic arrangements emerged incrementally from several decades of collaboration between its constituent councils, followed by the creation of the combined authority and then the mayoralty. Over that period, it accumulated economic and analytical capability, strategic finance, investment and governance functions, a substantial transport institution and experience of originating and delivering major programmes. It also benefited from a range of funding and institutional arrangements that were highly specific to the place and developed over time.

Most strategic authorities did not start from the same position. Some have been constructed around passenger transport executives or other transport institutions. This inheritance has brought significant advantages, with transport bodies providing established governance, financial management, procurement, technical expertise and the ability to deliver large and complex capital programmes. However, transport institutions were designed for a narrower purpose. Their organisational cultures, professional skills and operating systems have often been built around running services and delivering predetermined programmes. They do not automatically possess the wider economic, commercial, investment and strategic capabilities required of an institution expected to shape the future of an entire regional economy. In some cases, the inherited transport apparatus has provided a strong foundation for wider development, while in others, the demands of operating transport services and administering capital programmes have continued to absorb much of the organisation's capacity and create a way of operating that may not be what's needed for established mayoral authorities.

Other strategic authorities have been created from much thinner institutional inheritances. They have had to establish governance arrangements, recruit staff, form relationships between constituent councils and deliver substantial programmes at the same time. Responsibilities have often arrived before the capacity required to exercise them strategically. The understandable consequence has been a concentration on compliance, programme administration and the allocation of funding, rather than on economic analysis, policy integration, investment origination and the development of new approaches. This may be a problem exacerbated by the way government has funded strategic authorities, but it is one that has its origin in the way the place has chosen to form them.

## 3.3. Resources, revenue and capability

Resources are fundamental to this problem. Strategic authorities receive investment funds, programme grants, mayoral capacity funding and, in the case of the established mayoral authorities, Integrated Settlements. These resources are important and have enabled strategic authorities to undertake work that would otherwise have been impossible, but they do not generally provide a substantial, dependable and independently controlled revenue base. Investment funding is frequently restricted to capital expenditure, with only limited provision for the revenue costs required to develop projects, manage programmes or maintain specialist institutional capability. The precise balance varies according to the terms of individual devolution deals, but many authorities face a recurrent mismatch between the capital resources they are expected to deploy and the revenue capacity available to deploy them well.

Mayoral capacity funding has provided useful support, but it has been relatively modest, uncertain and intermittent. Strategic institutions cannot maintain economic, financial, legal, commercial and investment functions through short-term capacity grants. These capabilities require continuity, institutional memory and the ability to recruit and retain specialist staff over a sustained period. Mayoral strategic authorities also possess precepting powers as their principal source of fungible locally controlled revenue, but few authorities have exercised it to any significant extent. Raising an additional visible charge has proved politically difficult, particularly where constituent councils are themselves under severe financial pressure. As the experience of devolved taxation elsewhere in the United Kingdom demonstrates, the possession of a formal power to vary taxation does not necessarily make its exercise politically straightforward.

The result is that most strategic authorities remain highly dependent upon government funding. Even where funding streams have been consolidated, the flexibility available to local leaders remains limited. Integrated Settlements represent an important advance. They bring together substantial funding over several years and offer strategic authorities greater scope to consider programmes in combination rather than as entirely separate departmental pots. But the degree of practical fungibility has been constrained by the accountability and performance arrangements constructed around them.

The recent National Audit Office (NAO) report *Devolution in England: funding and accountability* found that the Outcomes Frameworks agreed between government departments and the Established Mayoral Strategic Authorities had become more granular and department-led than originally intended.[6] Authorities considered that the frameworks contained too many programme-level measures, were too closely aligned with national departmental priorities, and restricted the flexibility to redirect resources towards locally determined outcomes. This materially reduces the transferability of the settlements. Strategic authorities may have greater formal freedom than under the previous collection of separate grants, but if money must still be accounted for against detailed departmental outputs, it cannot readily be treated as a general resource through which local leaders can combine policies, change direction or pursue different routes towards agreed outcomes.

## 3.4. Counterparty risk and the self-reinforcing cycle

Departmental accounting officers remain answerable to ministers and Parliament for the money voted to their departments, and where there is limited confidence in the financial management, analytical capability, delivery systems or local accountability of a strategic authority, departments have a rational incentive to retain detailed controls. Strategic authorities can consequently appear to Whitehall as a form of counterparty risk: institutions to which government may be willing to delegate programmes, but not yet institutions to which it feels able to devolve substantial fungible resources and responsibility for results. Departments then seek to reproduce through Outcomes Frameworks, the programme measures, assurance processes and many of the controls that would have applied had the spending remained within Whitehall.

[6] National Audit Office, *Devolution in England: funding and accountability*, July 2026

This creates a self-reinforcing cycle. Limited institutional capability encourages Whitehall to retain detailed controls, then those controls absorb local capacity and restrict the freedom through which strategic capability could develop. As a result, strategic authorities devote more of their resources to the administration of departmental programmes and less to originating, integrating, and delivering their own approaches. This, in turn, reinforces Whitehall's doubts about whether they are ready to exercise greater autonomy.

The implication is that the capability question is not solely a local one. It is also a question about whether Whitehall possesses the structures, incentives and behaviours needed to operate successfully within a devolved state. Reform of strategic authorities without reform of central government will address only part of the problem – one among many reasons why the *Rewiring the State* announcement was so important.

The Cabinet Statement also confirmed that chief executives of mayoral strategic authorities will become Local Accounting Officers (LAOs), accountable for the use of public money, alongside a strengthened role for the Local Audit Office. This was a key issue raised in the NAO report, though the mechanism through which Parliament will hold these LAOs to account remains open. Until a settlement is in place, it will remain difficult to transfer large amounts of funding in a form that allows strategic authorities to operate as general-purpose political institutions rather than as administrators of departmental programmes.[7]

Beneath the design of individual grants and settlements lies a deeper structural issue. A political institution cannot possess durable autonomy without some dependable source of revenue over which it has meaningful control. As such, the announcement that a share of income tax would be assigned to mayoral strategic authorities was particularly welcome. English strategic authorities need a tax base commensurate with the economic and governmental role now envisaged for them. At present, their institutional capacity remains dependent upon central government decisions or contributions from their constituent councils.

Those councils have themselves operated through a prolonged period of financial retrenchment. The NAO calculated that local authority Core Spending Power income fell by 25 per cent between 2010-11 and 2015-16, with a further 7 per cent fall in real terms per person between 2015-16 and 2019-20.[8] The impact varied considerably, with councils most dependent on government grant generally experiencing the largest reductions. Shrinking budgets have combined with rising cost pressures, particularly from adult and children's social care, to leave councils focused increasingly on statutory duties. Delivery capacity in other areas has fallen correspondingly, as team budgets have shrunk and headcount has followed. Many experienced staff have left the sector and acute shortages are now reported across legal, planning, finance and other specialist disciplines.[9]

Councils are consequently less able to extend the kind of support to their strategic authorities that Greater Manchester once drew from Manchester City Council, in both strategic and back-office functions. With the majority of growth-focused public investment set to be channelled through strategic authorities in the years ahead, this position seems unlikely to shift. In this environment, constituent councils have been understandably cautious

[7] National Audit Office, *Devolution in England: funding and accountability*, July 2026
[8] National Audit Office, *Local government financial sustainability,* 2025
[9] Local Government Association, *Workforce Strategy Survey 2024*, 2025

about diverting scarce recurring revenue from statutory and frontline services into the construction of strategic economic capability. The result has been chronic underinvestment in some of the functions needed to overcome the problems described above.

The consequences extend beyond individual councils. Strategic authorities operate within wider local government systems whose capability has also been eroded. They therefore inherit not only different institutional arrangements but very different ecosystems of expertise and delivery capacity. Some are able to draw upon constituent councils with strong regeneration, commercial and investment capability; others are expected to compensate for capability that no longer exists elsewhere in the local system.

This suggests that the challenge is not only one of strengthening strategic authorities in isolation. It is to rebuild strategic capability across places as a whole. That will not necessarily require every constituent council and every strategic authority to duplicate the same specialist functions. In many cases, shared teams, common professional services, strategic partnerships and other collaborative arrangements may provide more resilient solutions. The relevant unit of analysis is therefore the capability of the place, rather than that of any single institution.

At their weakest, strategic authorities can therefore become little more than conduits through which government resources are distributed onwards to constituent councils or delivery organisations. Even this role requires sound governance and effective programme administration, and it should not be dismissed as valueless. It has allowed important schemes to be delivered and has helped institutions acquire experience. However, administering funding determined elsewhere is not the same as exercising strategic government. A body principally occupied with distributing grants cannot easily assemble resources around local priorities, develop new investment propositions, make choices across policy areas or take responsibility for the performance of the wider economy.

For this reason, strategic authorities require the political legitimacy to make difficult choices on behalf of places. That legitimacy depends upon effective relationships with constituent councils, businesses, public services and local communities, and upon leadership capable of building durable consensus across institutional boundaries.

## 3.5. From permissive to purposeful

Rectifying these problems requires a reset, alongside an acknowledgement of what has already been built. The first requirement is greater clarity from the Government about what it expects strategic authorities to be for. For much of the period since the first combined authorities were created, the purpose of English devolution has been clearer in rhetorical than operational terms. The original approach was deliberately permissive and locally led. It reflected models that had emerged from practice in different parts of the country, including the experience of Regional Development Agencies and even longer-standing sub-regional collaboration through economic partnerships such as Tees Valley Unlimited and the long development of conurbation-wide working in Greater Manchester following the abolition of the metropolitan county councils.

There were real advantages to this approach. It recognised that places differ and avoided the imposition of a single institutional model. It allowed authorities to grow around existing relationships and capabilities, while enabling ambitious places to proceed without waiting for the centre to design a complete system. But these arrangements were formed in a different resource and service environment, with local authorities having greater freedom to contribute staff, institutional support, and revenue. The prolonged contraction of local government described above since 2010 has weakened both the resource base and, over time, the supply of people with experience of originating and delivering programmes at scale.

A purely permissive model is therefore no longer enough. Government has recognised this and is developing a set of responses, through capacity funding direct to authorities and via the Public Financial Institutions (PuFins). Various forms of regional support are being set up across the Office for Investment, the National Wealth Fund, Homes England and the British Business Bank. As the review progresses, it will need to look further into these initiatives to examine their progress, but the emerging finding is that while valuable for those directly engaged, the addition of multiple, regionally focused support teams offering advice to places has added to an already complicated environment, and there may be more to do to ensure the offer builds strategic authorities' own capability.

Many places wish to strengthen their strategic capability but cannot do so from the resources currently available, nor can they make durable institutional choices while their future responsibilities, funding and relationship with government remain uncertain. The Government need not prescribe a uniform structure. It should, however, be clearer about the economic and governmental purposes it expects strategic authorities to fulfil, the broad areas in which it expects them to operate, and the level of ambition associated with those responsibilities. It should establish the capabilities and standards of assurance that accompany them and provide a credible route through which institutions at different stages of maturity can develop.

This clarity must be accompanied by a more sustainable financial settlement, as set out in *Rewiring the State*. Intermittent capacity grants cannot maintain permanent institutions and capital investment funds cannot substitute for adequate revenue. Integrated Settlements will not realise their full potential with practical fungibility undermined by detailed departmental controls. Strategic authorities will not be able to become durable political institutions while lacking a meaningful source of independently controlled income.

If Government can set out a clear level of ambition, provide greater revenue certainty and genuine flexibility, and establish accountability arrangements proportionate to the responsibilities being devolved, there is good reason to believe that strategic authorities can respond. Their achievements to date demonstrate substantial political commitment, institutional ingenuity and delivery capability. The task is to build on these strengths and give strategic authorities the foundations necessary to meet the much greater expectations they will face under the new Government.

### Questions

3. Does this paper correctly identify the emerging problems facing strategic authorities?
4. What issues relevant to the emerging problem are not considered here?
5. Can the self-reinforcing cycle – in which limited capability justifies central control and central control prevents capability developing – be broken, and if so, how?

# 4. What comparative experience tells us

## 4.1. The experience within the United Kingdom

The first generation of devolved government in the UK was a substantial undertaking. Supported by significant civil service preparations after the 1997 general election, each of the devolved bodies for Scotland, Wales, and London were created by primary legislation. In the case of Wales, the Secretary of State was presented with a draft civil service white paper based on Labour's proposals in opposition very shortly after taking office.[10] Within three months of the election, the White Paper proposing the Assembly was published. Once the legislation was in place a further exercise addressed how each institution would actually operate. In Scotland this was the Consultative Steering Group, drawing on the main parties and a wide range of outside interests, which spent over a year on the Parliament's standing orders and working methods before reporting in early 1999. In Wales the equivalent work was carried out by the National Assembly Advisory Group. In London, similar preparatory work was undertaken, including a substantial commissioned design exercise carried out by IPPR and KPMG.[11]

The result of this effort was not necessarily perfect. Analyses of the GLA model have tended to point to the respective roles of, and 'strategic distance' between, the boroughs and the mayor and the effect this has of hampering cooperation, while the Assembly has been criticised for adding less value than it should and at considerable cost.[12] Indeed, this was something that Manchester and other places were aware of in the late 2000s and informed their view of devolution. The Combined Authority and its 'weak mayor' model were designed with the avoidance of this problem in mind.

Nonetheless, the new devolved bodies also inherited significant cores of existing government functions. The Government Office for London, created in 1994, had already brought together the London functions of the Departments of the Environment, Transport, Education and Employment, and Trade and Industry, and handled housing capital allocation, the Single Regeneration Budget and strategic land-use planning, alongside a Cabinet sub-committee for London and dedicated ministers for London and for its transport system. When the GLA was created, its bureaucracy absorbed much of these, as well as the bodies that had developed a role after the GLC's abolition. In Scotland and Wales, the inheritance was also direct, with the executive functions of the Scottish and Welsh Offices transferring wholesale. From the outset, therefore, all three had a body of knowledgeable and experienced civil servants to draw upon, as well as established finance and accountability systems and a functioning back office.

The evolution of the strategic authority model elsewhere has been very different. There was no equivalent office to inherit. Local Enterprise Partnerships were thinner, business-led, bodies without a government office's staff or delivery machinery. More importantly for how these institutions have developed, governance and organisational design were not necessarily treated as questions requiring deliberate resolution at the outset. Growth by deal has produced expansions of capacity attached to specific programmes, staff recruited to run

[10] Laffin and Thomas, *Designing the National Assembly for Wales*, 2000
[11] IPPR and KPMG, *The Greater London Authority: Principles and Organisational Structure*, 1997
[12] See Re:State, *Capital at Risk: Rebooting London's governance for a new era*, 2026; Institute for Government, *The London Assembly*, 2024

a Growth Hub or administer a fund and largely confined to it, while modest general-purpose capacity grants have prevented the accumulation of a strategic reserve of capability that an authority can deploy as and when the authority needs it.

## 4.2. International evidence

At the headline level, the literature's conclusions on devolution and regional economic performance are mixed.[13] The picture sharpens considerably, however, once quality of government is brought into the analysis. Across 242 functional urban areas in 14 European countries, OECD researchers found productivity is higher where the quality of government is higher, an effect that strengthens with local autonomy and weakens as administrative fragmentation increases.[14] Where institutions are weak, greater autonomy makes outcomes worse, magnifying the consequences of poor government even more than the benefits of good government. The most productive cities combine high government quality, high local autonomy and low administrative fragmentation.

England combines relatively high government quality with low local autonomy, though this autonomy deficit is not general. The country has comparatively high organisational autonomy and low financial autonomy, the reverse of Spain. English local and strategic government is largely free to determine how it organises itself and largely unable to determine its own revenue. Three of the OECD's ten guidelines for effective decentralisation bear directly on this.[15] Responsibilities should be explicitly assigned, with clarity about who finances, regulates, implements and monitors; they should be fully funded; and subnational government needs own-source revenue beyond grant if accountability is to mean anything. A fourth states performance monitoring should stay simple and use a reasonable number of indicators. The NAO's findings on the Outcomes Frameworks describe a system that has gone the other way.

International experience also suggests that decentralisation cannot be understood as a reform of subnational government alone. It requires central government to change the way departments work across policy boundaries and with different levels of government. Transferring responsibilities without reforming central funding, accountability and coordination systems produces decentralisation in form while preserving centralisation in practice. The international evidence also points beyond individual organisations. Durable subnational capability is supported by professional institutions, training systems, career pathways, peer networks and continuing development. England has comparatively weak machinery of this kind for the leaders and specialists now being asked to build strategic government. Capacity therefore cannot be addressed solely through short-term grants or the recruitment of individual experts.

## 4.3. Implications for England

Comparative experience suggests that England's strategic authorities should not be viewed as though they begin from a common institutional baseline. Their capabilities reflect different histories, different inherited institutions and different levels of accumulated investment.

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[13] Andrés Rodríguez-Pose, Vinko Muštra, *The economic returns of decentralisation: government quality and the role of space*, 2022

[14] Dylan Jong, Alexandra Tsvetkova, Alexander Lembcke, Rudiger Ahrend, *A comprehensive approach to understanding urban productivity effects of local governments*, 2021

[15] OECD, *Making Decentralisation Work*, 2019

Some are building upon decades of strategic collaboration and substantial institutional capacity. Others inherit important functional organisations in areas such as transport or economic development but have more limited strategic capability. The newest authorities are establishing governance, relationships and delivery capacity while simultaneously taking on significant responsibilities.

These differences matter because they imply that a single blueprint for institutional development is unlikely to succeed. Strategic authorities require a common ambition and a broadly consistent understanding of the capabilities they should possess, but the route by which those capabilities are developed will necessarily differ between places. Some will need to strengthen existing institutions, while others will first need to establish functions and expertise that more mature authorities have accumulated over many years.

The evidence also suggests that capability cannot be understood simply as a characteristic of individual organisations. Successful devolved systems depend upon effective relationships between strategic authorities, constituent councils, national government, businesses, universities and other civic institutions. The objective is therefore not simply to create stronger strategic authorities, but to create stronger systems of place within which strategic authorities are able to exercise strategic leadership effectively.

The principal lesson from comparative experience is therefore not that England should replicate the institutional arrangements of Scotland, Wales, London or any particular international example. Rather, it is that successful devolution requires deliberate institution-building. Responsibilities, funding, professional capability, leadership and accountability need to develop together. Where they do not, the gap between political ambition and institutional capacity becomes progressively harder to bridge.

### Questions

6. Based on comparative experience, does this section set out an accurate and sufficiently complete analysis of what is needed to support devolution capable of driving growth?
7. What role should fiscal devolution play in the next phase?
8. Is there a viable alternative to the purposeful, large-scale institution-building this paper implies, whether a more streamlined and lightweight model, or no further devolution at all?

# 5. What a growth-capable place needs to be able to do

It follows from section three that, if the new Government decides to task places and their strategic authorities with additional functions and to devolve new responsibilities to them, what constitutes a fit-for-purpose, growth-capable strategic authority may change over time. Until the Government announces its intentions in the White Paper, it is impossible to say exactly what that might mean in practice. The question that can be answered now is what a growth-capable strategic authority should be able to do in order to discharge fully the functions that already fall to it and to maximise the potential of its existing mandate.

The needs and opportunities of places differ. In some, the immediate imperative may be to increase the number and quality of jobs and improve skills. In others, it may be to unlock housing growth, renew basic infrastructure, improve connectivity, bring land back into productive use or address severe differences in productivity within the area. A strategic authority should therefore not be judged against a uniform list of projects or economic outcomes.

That said, most, if not all, parts of England, require the broad functionality associated with what the Government has defined as an Established Mayoral Strategic Authority. Whatever their particular priorities, strategic authorities will need to understand their economies, make choices across administrative and policy boundaries, develop and finance interventions, deliver major programmes and represent their places effectively to government and investors. The precise organisational form will differ. The next section considers how the strategic authority should work with constituent councils and other partners. This section concentrates on the capabilities that need to be present within the strategic authority itself.

## 5.1. Understand its economy, its opportunities and what should be done

A growth-capable strategic authority depends on a serious and continuing understanding of the economy for which it is responsible. It should be able to explain how its labour, housing, land and transport markets interact, where productivity and prosperity are being created or inhibited, and where the most important opportunities lie. It should distinguish symptoms from causes, identify the assets and market opportunities on which the place can build, decide what should be done and set stretching ambitions for delivery. This goes beyond commissioning an economic strategy at intervals and calls for a durable analytical function capable of testing assumptions, informing political choices and tracking whether ambitions are being realised over time.

## 5.2. Identify opportunities and make strategic choices

Understanding the economy is valuable only if it enables choices to be made. A growth-capable strategic authority should be able to identify the opportunities most capable of changing the performance of its area and decide which are worth pursuing. This includes recognising opportunities that emerge from a place's particular assets, institutions, sectors, workforce, geography and connections, rather than simply reproducing lists of national priority industries or submitting bids to whichever programme government happens to announce.

Making strategic choices also means accepting that not every ambition can have equal priority. Constituent authorities will properly advocate for their own communities, but the strategic authority needs to judge proposals according to their effects on the wider economy and the spillover benefits they create. The value-maximising proposition for an individual borough may sometimes be an investment made in a neighbouring authority, where that investment produces stronger employment, housing, transport or fiscal benefits for residents across the wider area. Equally, the best proposition for the strategic authority may depend on complementary action in several places rather than identical investment in each. These effects are too rarely examined with sufficient rigour. A growth-capable authority should be able to identify where benefits and costs fall, make apparently counterintuitive choices where the evidence supports them, and explain how the gains to the wider area and to individual constituent places will be realised. The ability to say no, to sequence priorities and to maintain a course over several years is as important as the ability to generate new ideas. It depends upon political leadership, shared evidence and a growing capacity to make choices for the wider area rather than divide resources into predetermined territorial shares.

### 5.3. Turn ideas into credible projects

Most places have no shortage of strategies, visions, sector propositions and potential projects. The more persistent weakness is the ability to turn broad ambitions into interventions that are sufficiently developed to be funded and delivered. Strong project-origination and project-development capability is therefore a central feature of a growth-capable strategic authority.

This means defining the problem precisely, establishing the proposed intervention, testing whether it is likely to work, considering alternative approaches and setting out how it will be delivered. It requires robust business cases, realistic cost estimates, an understanding of demand and revenue, clear delivery arrangements and an assessment of legal, commercial and financial risks. It also requires sufficient revenue funding to undertake this work before a project becomes eligible for capital investment.

A credible pipeline cannot consist simply of a long list of schemes. Projects need to be at different stages of development, with clear decisions about which should be advanced, revised, paused or abandoned. The strategic authority should be able to improve promising but immature proposals, while preventing weak schemes from consuming attention and resources indefinitely. Experience in the most developed places demonstrates the value of maintaining a disciplined investment pipeline in which ideas are repeatedly tested, reshaped and prioritised before decisions are reached. The purpose is to improve their quality and increase the likelihood that scarce public resources would unlock viable investment.

### 5.4. Assemble finance, land, powers and partners

Major economic interventions rarely depend upon a single funding stream or institution. A growth-capable strategic authority needs the ability to assemble the combination of finance, land, legal powers, permissions, infrastructure and delivery partners required to make projects happen. Its role is not simply to spend the money allocated to it, but to use its resources and authority to bring leverage and to bring to the table contributions that would otherwise remain either unavailable or fragmented.

This points to a strategic finance capability extending beyond budgeting, grant administration and statutory financial reporting. The authority should be able to plan over several years, understand its balance sheet, manage cash and borrowing, model different financial and economic scenarios, and judge where public investment can leverage or shape private investment. It should be equipped to consider loans, equity, guarantees, land transactions, joint ventures and other delivery vehicles where appropriate, while understanding the public risks involved and avoiding the unnecessary transfer of rewards to private partners. This element of the capacity question is explored in further detail in forthcoming work prepared by Metro Dynamics, the Future Governance Forum and independent advisers.

The strategic authority also needs sufficient capability to structure and lead transactions involving other public bodies, landowners, developers, investors and delivery agencies. The next section considers in more detail how these relationships should work across the wider system. The central point here is that the strategic authority itself requires enough economic, commercial, financial and legal expertise to judge advice, negotiate terms and protect the public interest.

### 5.5. Prioritise investments and manage risk

A growth-capable strategic authority should treat its investments as a portfolio rather than as a collection of unrelated grants or projects. This means understanding the combined financial, economic and delivery risks it is carrying, the relationship between individual investments, and the extent to which its resources are concentrated in particular sectors, locations, delivery partners or sources of income. Prioritisation works best when strategic judgement is combined with robust appraisal. Conventional appraisal methods can help establish costs, benefits and value for money, but they cannot determine the authority's strategy on their own. The authority needs to decide how different projects contribute to its wider objectives, whether they complement or compete with one another, and whether the total programme is deliverable within available financial and organisational capacity.

Risk management should not mean eliminating risk. Economic transformation, regeneration, and infrastructure development are inherently uncertain. The task is to understand risks, allocate them intelligently, price them where possible and ensure that the authority can withstand plausible adverse outcomes. Strong governance, legal compliance and financial assurance should enable well-informed risk-taking in an organisation orientated towards action.

### 5.6. Deliver major programmes

Strategic authorities need to be able to convert decisions and funding into action. This includes programme management, procurement, commercial negotiation, contract management, technical oversight, and the ability to resolve problems as they arise. It also requires clarity about what the strategic authority itself will deliver, what it will commission and how it will retain effective control over programmes delivered through other bodies.

Delivery capability cannot be created at the moment a major project is approved but depends upon systems and professional experience accumulated over time. Authorities therefore need a realistic understanding of the capacity of their own organisations and their supply chains, discipline in avoiding the approval of more projects than can be managed effectively, and sufficient client capability even where substantial work is contracted out.

Repeated involvement in major projects is itself an important source of capability. People and institutions learn through developing, financing and delivering real schemes. Properly managed, projects themselves help create those institutions and the people who lead them. Newer strategic authorities therefore need access to experienced practitioners and external support in forms designed to build permanent internal capability, with each programme leaving the authority better able to deliver the next one.

## 5.7. Evaluate results and change course

A growth-capable strategic authority should be able to judge whether its interventions are working and alter them when they are not. This means building evaluation into programmes from the outset, with clear objectives, credible baselines, and an understanding of how the intervention is expected to produce change. It should draw on both quantitative evidence and practical intelligence from those delivering and affected by the programme.

Evaluation should not be reduced to compliance reporting against measures imposed by individual government departments. Those measures may be necessary for accountability, but they do not necessarily answer the strategic authority's own questions about economic impact, additionality, distributional consequences or whether a different intervention would work better. The authority needs an independent capacity to learn, including the willingness to acknowledge failure and stop or redesign programmes.

This also depends on institutional memory. Strategic authorities need to retain evidence about why decisions were made, what happened during delivery and which assumptions proved correct or mistaken. Without this, organisational change, electoral turnover and over-reliance on short-term advisers can cause the same mistakes to be repeated. A mature institution should become more capable through experience, using evidence both to account for past expenditure and to improve future decisions.

## 5.8. Negotiate effectively with government, investors and national agencies

Finally, a growth-capable strategic authority should be equipped to represent its place externally.

Effective negotiation with government involves more than submitting bids or lobbying for individual projects. The authority should be able to explain the economic logic of its priorities, understand the objectives and constraints of central government, and construct propositions that connect local opportunities with national goals. It also needs the confidence and capability to negotiate at the highest level of government, challenge fragmented departmental requirements where they inhibit an integrated approach to place and propose workable alternatives.

The relationship should be bi-directional. Strategic authorities need sufficient capability to influence the design of national policy, identify where national systems are preventing delivery and take responsibility for the consequences of greater freedom. Relations with investors require a similarly sophisticated approach. Strategic authorities should understand what different forms of capital require, distinguish real investment propositions from promotional activity and negotiate arrangements that protect the public interest. Credibility is built through clarity, consistency, commercial competence and the ability to deliver what has been promised.

## 5.9. Conclusion

Taken together, these functions describe something more demanding than a body that coordinates councils or administers grants. They describe an institution capable of understanding and shaping a regional economy, making and sustaining choices, mobilising resources and taking responsibility for results. The scale and organisational form required will vary, and the way in which the strategic authority works with constituent councils and other partners is considered in the next section. A strategic authority can reasonably be regarded as growth-capable where these core functions are performed coherently, durably, and to a standard proportionate to the responsibilities it exercises.

### Questions

9. What capabilities does a growth-capable place require, and to what standard?
10. Which capabilities should remain with constituent councils, and which could be shared?
11. How should those requirements differ according to maturity, powers and geography?
12. How should growth capability be assessed, and by whom?

# 6. Where the capacity, capability and institutional gaps lie

The previous section was concerned primarily with the institutional hardware of a growth-capable strategic authority, namely the functions, skills and operating capabilities it requires in order to understand its economy, make choices, develop projects, assemble resources, and deliver. That said, no strategic authority operates in isolation. It enters a place with an existing institutional landscape and a shared history of relationships between councils, businesses, universities, colleges, health providers, housing organisations, transport bodies, voluntary organisations, and national agencies.

What makes places work over the long term is both the presence of these institutions and the software of relationships between them. Some of this is formal, expressed through governance structures, contracts, joint ventures, partnerships and agreed programmes. Much of it is less visible, covering shared norms and standards, common ambitions, habits of cooperation, an understanding of the respective roles of different institutions and, ultimately, trust. These relationships affect whether difficult choices can be made, whether organisations can rely upon one another, and whether the strategic authority can lead without attempting to control everything itself.

The distinction between institution and system is therefore critical. A place may possess a strategic authority, strong councils, universities, major businesses and capable public agencies, yet still lack the collective ability to act. Conversely, relatively thin formal structures may sometimes be made effective by mature relationships, shared purpose and trusted leadership. The task is both to create and strengthen individual organisations and to enable them to operate as a coherent system.

In many areas, the creation of strategic authorities has coincided with local government reorganisation. Whatever the merits of reorganisation, its benefits are always thought of as being long term. Changing boundaries, merging organisations, replacing leadership teams and redesigning services create substantial organisational and relationship churn at precisely the point when a new strategic authority needs to embed itself within a functioning set of relationships. Institutional memory can be lost, attention diverted and trust disrupted. Reorganisation does also create an opportunity though. It allows roles, relationships and institutional settlements to be reconsidered. New authorities can be designed around the economic and social reality of a place, and old divisions can sometimes be overcome. But this requires deliberate work. Organisational restructuring does not in itself create shared purpose, collaboration or trust.

This reinforces the point that strengthening strategic authorities cannot simply involve concentrating expertise within a single institution. In many places, the challenge is to rebuild capability across the wider local system, ensuring that constituent councils, strategic authorities and partner organisations each contribute where they add greatest value.

If mayoral strategic authorities are expected to drive long-term improvements in growth, productivity, skills, housing and infrastructure, the task is akin to redesigning the engine room of a vehicle that must continue travelling at speed. Existing organisations must keep services running and deliver current programmes while simultaneously building new relationships, agreeing new roles, and developing the capacity to undertake a much more demanding strategic task. The work of this review to date underlines that this should not be treated as a purely technical exercise. Institutions inherited from earlier arrangements may bring valuable systems and expertise, but they also bring established cultures, expectations and tensions. Time has to be devoted to defining the common purpose of the new system and building the trust and shared endeavour required to pursue it. The opportunity of the present is that this is a task which is best done in practice rather than theory. The pressure to deliver, properly turned into action, may be just what places need to grow into new ways of working.

This is not just a local issue. The same principle applies nationally. Strategic authorities can only succeed if Whitehall develops the capability to work effectively with devolved institutions. The challenge is therefore to reform local institutions and to strengthen the relationships, incentives and operating model between central and local government.

## 6.1. Skills and experience

A functioning system needs access to a broad range of skills and experience, but they do not all need to sit in one organisation. The strategic authority needs to understand where capability already exists across the place, where it is weak, and where it can sensibly be shared. Simply recruiting scarce people from constituent councils may strengthen the strategic authority while weakening the wider system. In some cases, specialist functions may be better sustained jointly between authorities or commissioned collectively either from one of the constituent authorities or externally, at a wider level. In almost every place there is ample opportunity to bring in specialist learning and development to help institutions adapt to becoming place leaders.

## 6.2. Systems and processes

Formal systems and processes matter because they allow institutions to work together reliably rather than depend upon personal relationships alone. Shared evidence, common investment processes, clear routes for resolving disagreement, and agreed arrangements for developing and delivering projects can turn cooperation into routine practice. But processes should support strategic action rather than reproduce the separate procedures of every participating organisation.

## 6.3. Organisational design

Organisational design is not simply a question of drawing boundaries around the strategic authority. It concerns how responsibilities, decision-making, professional capability and accountability are distributed across the place. The aim should be to give the strategic authority sufficient authority and heft to lead while preserving the capabilities and democratic roles of constituent institutions. The right answer will vary, and some functions may sit within councils, delivery bodies or shared organisations rather than the strategic authority itself.

## 6.4. Relationships and trust

Trust is a form of institutional capacity. It allows leaders to make decisions whose benefits may be realised elsewhere in the area, to accept that resources will not always be distributed evenly and to believe that cooperation will be reciprocated over time. It is built through repeated joint work, honest treatment of disagreement and delivery against commitments. Where trust is absent, even well-designed governance can become a mechanism through which each institution protects its own position.

## 6.5. Leadership

System leadership depends less upon formal command and more upon the ability to establish purpose, convene institutions, negotiate agreement and sustain action across organisational boundaries. The mayor and strategic authority have a distinctive role, but they cannot be lone heroes. Effective leadership has to be distributed across political leaders, chief executives, institutional heads and others who possess credibility inside and outside the place.

## 6.6. The collective ability to act

The ultimate test is whether the system can bring these elements together to make and carry through difficult choices. A place may have strong individual institutions but still fail to act collectively because objectives conflict, responsibilities are unclear or decisions are repeatedly reopened. A growth-capable system is one where institutions can combine their authority, knowledge, assets, and relationships around shared priorities, while retaining enough challenge and accountability to avoid comfortable but ineffective consensus.

The development of such systems takes time. Greater Manchester's experience reflects decades of repeated collaboration, institution-building and joint decision-making, beyond the creation of a single organisation. That history cannot be copied or compressed into a new governance structure. Other places can, however, be more deliberate about building relationships, shared evidence, common working practices, and trust from the outset. The strategic authority's task is to supplement the institutional life of the place and help turn it into a system capable of acting.

## 6.7. Why these gaps have emerged

These gaps share interconnected origins. The authorities have not been constructed through a deliberate programme of institution-building, later compounded by the incremental development of English devolution, with powers added through successive deals. The consequence has been strategic authorities constructing themselves while already delivering major programmes. In this process of spinning up, some authorities have inherited their organisational machinery from predecessor organisations, which may provide strong governance and delivery systems but can also import a culture and professional model designed for a narrower purpose. The skill to develop and deliver a business case is separate from the ability to ask what the place is for and make difficult economic trade-offs.

More broadly, the senior leaders tasked with building these institutions have developed during a period dominated by austerity, rising statutory demand, savings programmes and institutional survival. Challenges such as these required exceptional skill but offered fewer opportunities to originate and deliver the major economic and physical programmes that support capacity-building. Finally, Whitehall's funding, appraisal, and accountability systems have reinforced the problem, driven by short funding periods, fungibility restrictions and detailed reporting and approval processes, which have consumed regional capacity and constrained strategic decision-making.

### Questions

13. How can the authorities' functions – strategic finance, economic analysis and project-development capability – be built more quickly?

14. Related to the above, how can the software of the system, meaning relationships, trust and shared purpose, be built deliberately rather than left to accumulate over decades?
15. How can scarce specialist talent be expanded instead of moved around the system?
16. What must Whitehall change in funding, accountability, staffing and decision-making?

# 7. The changing context

The context within which this synopsis has been written is itself moving. In the three weeks between his first major policy speech at the People's History Museum on 29 June 2026 and his first statement in Downing Street on 20 July, Prime Minister Andy Burnham set out a programme in which devolution is the organising principle of government.[16] The consistency of the argument across the three speeches is striking and carried through into the *Rewiring the State* Cabinet Statement. Westminster is described as broken. The centralisation of political power and the privatisation of economic power in the 1980s are identified as the wrong turns from which national renewal must now recover, and the remedy is, in the Prime Minister's words, to 'take power out of here and carry it into every postcode in the land so that they can do more'.

Three features of the emerging programme bear directly on this review. The first is machinery. 'Number 10 North', described as 'the nerve centre of a rewired Britain', promises central coordination of devolution of a kind England has not previously had, and with it a changed relationship between strategic authorities and the centre. The Prime Minister has declared that 'the days of Whitehall fighting the devolution of power into the regions and nations are over for good'. This must be right. What is needed extends beyond strategic authorities themselves. If devolution is to become the organising principle of government, Whitehall will also need to adapt. Departments, funding systems, accountability arrangements and the machinery through which central government works with places have all evolved within a predominantly centralised state. The next phase of devolution therefore requires institutional adaptation at the centre as well as in places.

The second is breadth. The responsibilities signalled extend well beyond the current portfolio of even the Established Mayoral Strategic Authorities. They include stronger public control of 'life's essentials' such as transport, housing, energy and water, a council house building programme described as the largest since the post-war period, reindustrialisation supported by public procurement, parity between technical and academic education, and a more preventative state.

The third is universality and pace. The ambition is 'good growth in every British postcode', pursued through a ten-year plan to be published later this year, implying both that devolution will extend across the whole of England and that the demands on places will arrive quickly.

If this programme is pursued, the account given earlier in this paper of what a growth-capable strategic authority needs to be able to do will describe a floor rather than a ceiling. The capabilities that have hitherto distinguished the Established Mayoral Strategic Authorities may become necessary rather than sufficient. Housing delivery at scale, the ownership and operation of public services, a role in industrial policy and a much closer working relationship with a reformed centre would each place demands on capacity and capability that few authorities, and few of their partners, currently possess.

The direction of travel cannot yet be known precisely, and the review does not intend to anticipate decisions that are properly the Government's to make. It is, however, keen to

[16] Andy Burnham, *Speech at the People's History Museum*, June 2026; Andy Burnham, First speech as Leader of the Labour Party, TUC Congress House, July 2026; Prime Minister's Office, 10 Downing Street, Andy Burnham's first speech as Prime Minister, July 2026

understand what strategic authorities and others consider to be the key issues affecting the next stages of devolution, particularly as they concern the creation of capacity and capability within strategic authorities, their constituent local authorities and other partners.

Views on these questions would be warmly welcomed. Please see the end page for contact details.

### Purpose, scope and starting point

1. If the national objective is good growth in every postcode, does that imply a higher minimum expectation of a strategic authority in every place?
2. If so, what should that minimum be?

### The emerging problem

3. Does this paper correctly identify the emerging problems facing strategic authorities?
4. What issues relevant to the emerging problem are not considered here?
5. Can the self-reinforcing cycle – in which limited capability justifies central control and central control prevents capability developing – be broken, and if so, how?

### What comparative experience tells us

6. Based on comparative experience, does this section set out an accurate and sufficiently complete analysis of what is needed to support devolution capable of driving growth?
7. What role should fiscal devolution play in the next phase?
8. Is there a viable alternative to the purposeful, large-scale institution-building this paper implies, whether a more streamlined and lightweight model, or no further devolution at all?

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# Securing the Opportunity of Growth-Capable Devolution

## The Mike Emmerich Independent Review

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