

Insights

## KNITTING BRITAIN'S FUTURE - CITY DEVOLUTION AND INFRASTRUCTURE

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### SUMMARY

How the UK plans its infrastructure development is crucial to making sure the country gets what it needs. In opposition, Labour's Armitt review proposed a National Infrastructure Commission. The Conservative Government is now devolving powers to Cities but how does that sit within the holistic national plan? This article explores the latest developments.

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George Osborne has announced the [proposed City Devolution Bill](#) which will form a part of the Queen's Speech: *"This law will pave the way for Greater Manchester – and, importantly, other cities as well, to take greater control and responsibility over all the key things that make a city work, from transport and housing to skills, and key public services like health and social care."*, so that local people have *"a single point of accountability"*.

The important relationship for cities between infrastructure, skills and economic growth, was highlighted by the think tank Respublic, in its recent paper 'Power, People and Places: a manifesto for devolution to Britain's key cities', which noted that *"the provision of housing, transport as well as other infrastructure and amenities (including the school system) will affect the decisions of mobile skilled workers"*. The paper also notes that *"Infrastructure brings greater economic returns on investment than many other forms of capital expenditure."*

So, moving forward from the latest announcement, the directly elected Mayor of Greater Manchester would have responsibilities including for the consolidated transport budget, franchised bus services (subject to consultation), smart ticketing integration, and exploring the opportunities for devolving rail stations. The Greater Manchester Combined Authority would have powers over strategic planning, including the creation of a statutory spatial framework for Greater Manchester

(to be approved by a unanimous vote of the Mayor's Cabinet), and would have control over a new £300 million Housing Investment Fund. Other powers may follow.

Turning back then to central government, in the same speech the Chancellor noted that the Prime Minister has appointed:

- James Wharton as Minister for the Northern Powerhouse in DCLG;
- and Jim O'Neill as the Commercial Secretary to the Treasury – *“right in the heart of government, in the department that historically fought tooth and nail to stop giving up power, we have a brilliant new Minister to help make devolution and the Northern Powerhouse happen. And he'll work to deliver the big infrastructure investments and links to emerging economies our country needs.”*

Alongside the focus on the cities, the Chancellor noted the *“great economic strengths to build on outside the biggest cities”* and hence widened the scope of the City Deals programme to cover counties and towns too. The Chancellor also widened the geographic scope, stating that he wanted *“these new opportunities available across England – in the Midlands, East Anglia and the South West too”*.

## SO WHAT MIGHT THIS ALL MEAN FOR INFRASTRUCTURE?

Well on face value it seems the plan is intended to be multi-layered, such that certain matters are planned, promoted and delivered:

1. from within the major cities, with one central point of accountability;
2. at a county and town level;
3. in the case of northern transport, on a regional basis, in the form of Transport for the North ('TfN');
4. in the case of inter-city or national infrastructure, from central Government.

But where do the boundaries lie for each, and how will current multi-layerings (sometimes with overlapping or inconsistent areas and responsibilities) like Combined Authorities, LEPs and City Authorities work in this context? Who gets to make the call when a centrally driven project impacts on the City, county, town or region in question and its plans? One suspects the answer is the obvious one (centrally driven plans trump the rest), but how does it play out and what are the mechanisms for securing inter-area services and connectivity and the necessary buy-in to knit it all together? And what about the vital question of housing - the delivery of which has to match up with the people who need it and be facilitated by the right infrastructure – how does each City knit its plans into the national infrastructure fabric?

Again in one of its recent papers, 'Restoring Britain's City States: Devolution, Public Service Reform and Local Economic Growth', Respublica proposed that there was a danger in devolution of 'siloed decentralisation', and hence there should be a new 'Devolution Agency' which would *"ask central government to create cross-departmental and silo breaking civil service teams to administer and co-ordinate different departments in delivering all their localised spend to city regions"*. So they would be the knitters in chief who draw the layers into one? We know that of course there is already Local Partnerships, the 'joint venture owned by HM Treasury and the Local Government Association that supports local government in infrastructure project delivery', so how does that work with those holding devolved functions? How will they both work with other organisations like the City Growth Commission and the Core Cities Group? Will this be another series of ad hoc "deals" in which, under the cloak of decentralisation and "negotiation", central government agendas and priorities are imposed and reinforced?

Also, where would we set out our strategic plan for infrastructure – the notion of a National Infrastructure Commission has of course been mooted – as have suggestions from others (the ICE) that the better approach would be to restructure IUK and repurpose the National Infrastructure Plan as a rolling 10 year plan for investment and delivery. And whilst on the subject of the National Infrastructure Plan, to what extent and how do each City's plans get woven into it?

For holistic planning and delivery would one need the Treasury, IUK, individual government departments, Local Partnerships, LEPs, Combined Authorities, any regional body (eg TfN), and then the relevant City administration, all singing together?

Clearly there are many questions, and for now, no clear answers. Amidst the flurry of decentralisation activity and debate that will accompany the forthcoming City Devolution Bill (not to mention further and continuing austerity based cuts in local government finance), it is important that infrastructure and its delivery are neither forgotten nor deferred. With infrastructure planning and delivery, like a good jigsaw puzzle, it will help to have a picture on the box so we know what we're trying to achieve, to have all the pieces and for the pieces to have come from the same puzzle.

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