ENGLISH DEVOLUTION
LEARNING LESSONS FROM INTERNATIONAL MODELS OF SUB-NATIONAL GOVERNANCE

A research report

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Executive summary

Public power in England is being restructured. Recent months have witnessed a fast-moving process in which the Government and council leaders across the country have broken new ground with a series of negotiated agreements designed to devolve power to areas within England.

The objectives of devolution

There are several strands in the debate about devolution in England and, not surprisingly, there are competing views on what devolution is supposed to achieve. The Government has not set down any clear, measurable targets for devolution, preferring, instead, a bottom-up process in which localities indicate their own priorities.

There are at least four potential objectives for devolution. Strategies to advance progress towards several of these objectives at once can, of course, be pursued. However, it is helpful to separate them out so that the desired outcomes of public policy can be made explicit:

- **Economic.** The claim is made that economic growth can be accelerated if metropolitan and non-metropolitan areas were less dependent on centralised funding. Devolution can enable localities to respond dynamically to the needs and opportunities of their economies.

- **Social.** A different argument is that devolution can lead to the development of more effective ways of tackling social challenges – for example, growing inequality, inadequate housing supply and issues relating to health, education and public safety. Devolution can, by integrating separate services more effectively, and by combining the efforts of the public, private and non-profit sector, enable a range of pressing social issues to be addressed in a more cost-effective way.

- **Environmental.** A third argument is that devolution can play a vital role in promoting sustainable development and the creation of more sustainable patterns of living. Growing scientific evidence relating to the adverse impacts of climate change, coupled with international recognition of the seriousness of the situation, suggest that urgent action is needed. Devolution can promote sound spatial planning of metropolitan and non-metropolitan areas and a more eco-friendly approach to, for example, transport planning and urban growth management.

- **Democratic.** A fourth reason for devolving power in England is to bring government closer to the people, to strengthen civic engagement and revitalise local democracy. Voter turnout in local elections in England is well below that found in other western democracies and this is troubling. Many in local government believe that devolution can increase public involvement in local affairs and ensure policy making and services are responsive to local needs.
To date much of the national debate about devolution has focussed on economic goals. The restructuring of power in modern England raises concerns that go well beyond economic considerations. Combined authorities will want to develop and spell out the full range of objectives that they wish devolution to achieve in their area and, if devolution is to mean anything at all, they must be free to do this.

**Purpose of this report**

Devolution creates significant opportunities for councillors to shape the future of local government in England. This report is intended to help councils think through how the devolution of power within England can strengthen local government. More specifically, it aims to widen the conversation about the design of executive governance arrangements for combined authorities with learning from abroad.

The report is intended to inject new ideas into the debate relating to cross-boundary governance, to examine the strengths and weaknesses of alternative governance models and to act as a resource that can help councils develop their own thinking.

The report is intended to help councils to:

- explore different options for the institutional design of governance models suited to the dynamics of devolution in England
- expand the horizons of all those thinking through the implications of cross-boundary governance by drawing on the experiences of other countries
- examine the strengths and weaknesses of alternative institutional designs
- develop their own proposals for devolved governance able to provide strong leadership and effective, efficient and accountable local democracy.

**Key findings**

This report examines international trends and presents and evaluates four examples of sub-national governance according to six principles. Through this approach a range of evidence is presented that will hopefully prove useful in helping combined authorities and other areas with devolved governance structures consider and address their own strategic choices. Key findings of this report include:

- The international evidence shows that different cities have adopted different models of city leadership and that no one model is superior to the others. In particular, cities across the world can and have thrived without a directly elected mayor.
- In local governments across the world there is huge variation in the way powers are distributed between the Executive and the Assembly. Combined authorities and other areas with devolved governance arrangements will wish to develop their own ideas on this power-sharing relationship. It would also be wise to build in opportunities to review the balance of powers in the light of experience.
• There is room for combined authorities and other areas with devolved governance arrangements to invent new ways of presenting issues and public policy choices to their citizens. The ‘Public Engagement Guide’ published by Portland Metro in particular provides an excellent example of good practice in relation to transparency and efficiency.

• Devolved areas wishing to ensure that councillors with different kinds of experience are able to exercise senior leadership roles may feel that mayoral models have limitations. That question aside, it is clear that combined authorities, whether they have directly elected mayors or not, can invent an array of new arrangements for ensuring inclusive leadership in their constitutions. There are opportunities for creating innovative arrangements for a wide range of voices to be heard.

• International experience suggests that a much more open scrutiny process is likely to be both more effective in delivering results, and more attractive to citizens.

It should be stressed that this report does not make recommendations on how to design combined authority governance structures. Rather, the report presents objective evidence about some of the most effective models of sub-national governance to be found in the world today.

It is hoped that this evidence will enable councillors, officers and others to make informed judgements about how to design effective combined authority governance structures suited to the local situation.
Report outline

Section 1 – introduces the report and makes the case for widening the conversation about how to design combined authorities.

Section 2 – explains why governments elsewhere are also reforming their arrangements for sub-national governance, identifies the three main routes being tried out and highlights insights for the devolution debate in England.

Section 3 – identifies six principles of good governance for combined authorities. These have emerged following conversations with senior councillors in England as well as detailed study of the extensive academic literature on models of sub-national governance. The six principles are:

- civic leadership
- considered judgement
- transparency and efficiency
- accountability and legitimacy
- inclusive public involvement
- inclusive business involvement.

Section 4 – presents four ‘Innovation Stories’ documenting bold changes in sub-national governance that have been implemented in four different countries. These short accounts are written to a standard template to enable the strengths and weaknesses of the four stories to be revealed.

The four have been chosen because they are all respected examples of reform and they illustrate rather different strategies. The four examples are:

- Auckland Council, New Zealand
- Greater London Authority, UK
- Portland Metro, Oregon, USA
- Association of the Region of Stuttgart, Germany.

In each case an evaluative commentary is provided assessing each example against the six principles set out in section 3.

In the light of the preceding analysis, section 5 presents the main strategic choices for combined authorities. It discusses the six principles in turn and, by drawing on the experience of the authorities featured in section 4, it identifies ten strategic choices.

Finally, an Annex provides an ‘at a glance’ overview of the way devolution policy in England has evolved in recent years.
1. The dynamics of devolution in England

The relationship between local and central government is being reconfigured. Moreover, this restructuring of power in England is happening at pace. In the period since May 2015 the Government and council leaders across the country have broken new ground with almost a dozen negotiated agreements designed to devolve power to areas within England. One result is that a growing number of combined authorities have been established, or are being established, in various parts of England.¹

These changes, while not without controversy, create opportunities for elected council leaders to shape the future of local government. The Government recognises the principle that a vibrant local democracy is essential if national prosperity is to be enhanced and regional disparities in the quality of life are to be reduced. In turn, councils recognise that devolution provides opportunities to acquire the functions and finances vital to driving growth and improving public services in their area.

The Cities and Local Government Devolution Act (2016) is an important enabling piece of legislation that heralds a major effort to restructure local/central relations in England. Groupings of councils across the country have been very active in working across administrative boundaries to come up with innovative suggestions for ‘devolution deals’ and much progress has been made in a short space of time.

This paper offers a fresh perspective on the development of effective and accountable devolved governance in England. It steps back from the details of the new English legislation and offers lessons from a study of international governance models.

The current context around devolution policy

In the period since the 2015 general election, ministers have pushed devolution policy along at great speed – with the announcements contained in the 2016 Budget bringing the total number of devolution deals agreed to date up to almost a dozen.

This speed of change has attracted criticism. The House of Commons Communities and Local Government Committee in their assessment of devolution policy, ‘Devolution: the next five years and beyond’, concluded that:

‘… the policy risks being rushed and appearing driven by a purely political timetable… We have found a significant lack of public consultation and engagement at all stages in the devolution process.’²

The Committee also stated that there are no clear, measurable objectives for devolution, and that efforts are not being made to inject openness or transparency into deal negotiations.³

Other reports have also raised concerns. For example, the All-Party Parliamentary Group (APPPG) on Reform, Decentralisation and Devolution has considered how to better achieve devolution across the whole of the UK. In their report, ‘Devolution and the Union’, the group states:
‘Progress to date has been piecemeal; devolution arrangements emerging through bilateral conversations and narrow constitutional amendments that fail to take a view in the round.’

The group argues that reducing the gap between those who govern, and those who are governed, requires a more ambitious conversation. They advocate principles for a stable Union that resonate with those set out by the Local Government Association (LGA).

**The LGA’s principles for devolution across the UK**

The LGA is strongly committed to the devolution of more powers to elected local authorities. In a DevoNext paper published soon after the general election, ‘English Devolution: Local solutions for a successful nation’, the LGA outlined why devolution matters and how devolution policy can be strengthened. Based on work with its sister organisations in Scotland, Wales and Northern Ireland (COSLA, WLGA and NILGA) the LGA set out three principles to ensure that devolution delivers better outcomes for people and places:

- **Subsidiarity** – taking decisions closer to the people affected leads to better outcomes and saves the taxpayer money.

- **Legal standing for local government** – the legal position of elected local governments needs to be secured and enhanced.

- **Fiscal autonomy** – greater fiscal autonomy, starting with fiscal retention, at the sub-regional level will enable more places to invest in the infrastructure needed to unlock growth and deliver modern public services.

These fundamental principles should shape the conversation about the institutional design of devolved governance arrangements in England.

The LGA has been clear that greater devolution across England is the most effective way to improve public services, drive growth and build inclusive, connected economies. While they have sounded a positive note regarding the process to date, they remain committed to ensuring that the benefits of devolution should be open to all parts of the country, including non-metropolitan areas.

Unsurprisingly, the LGA has also taken a nuanced position regarding the assessment of devolution’s objectives, believing that, at root, devolution is about passing powers and responsibilities from the national to the local level in order to drive growth and improve public services.
2. Innovation in sub-national governance – an international perspective

Countries across the world are striving to adapt their sub-national governance arrangements to take on current and emerging challenges, not least the explosive population growth of cities and city-regions and the growing interconnectivity of urban and non-urban economic geographies. While the steps now being taken to devolve powers and responsibilities to combined authorities within England are distinctive, it is clear that they form part of a wider international trend towards developing innovative forms of governance to tackle issues that show little respect for administrative boundaries.

In the last fifty years or so many nation states have moved to reform their systems of local governance, particularly their arrangements for metropolitan governance. It follows that there are opportunities for fruitful international exchange of experiences on topics like: local government reform and reorganisation, the modification of local/central relationships, the design of city-region governance arrangements, and the invention of new ways of working with citizens and local businesses.

In this section we examine these international trends and consider three questions:

- Why are governments reforming sub-national governance?
- What reform options are being tried out?
- What general international insights emerge for the devolution debate in England?

**International driving forces of reform**

The reasons why particular nation states choose to reform their sub-national governance arrangements reflect local circumstances, socio-cultural traditions and specific political imperatives. Nevertheless, it is possible to identify three related sets of driving forces that appear to be influencing the devolution agenda in different countries and contexts.

**The rise of challenges that reach beyond individual municipalities**

Traditional structures of local government, while they can enable councillors to speak with authority on behalf of well-defined place-based communities, can find themselves ill equipped to take on challenges that reach beyond the limits of individual municipalities. For example, in many city regions rapid urbanisation means that the boundaries of local authorities designed in a different era now appear anachronistic. Pressing challenges like transportation, housing, economic development and the creation of sustainable cities require effective policy making arrangements covering relatively large areas as well as local responsiveness.
Place-based international economic competition

In our rapidly globalising world it is increasingly the case that localities need to be able to compete with localities in other countries – to attract investment, talented people and visitors. Technology too has played a critical role, opening up new sites of commerce and reshaping the economic boundaries between urban and non-urban areas. It follows that local governance arrangements need to be designed to ensure that localities can compete internationally. On the whole, this suggests that it is desirable to, either, create larger units of local government, and/or introduce collaborative arrangements that enable small local authorities to pool resources so that they can compete internationally.

Addressing growing economic and social inequalities and climate change

Globalisation is creating increasingly unequal societies and the global climate change challenge is recognised by governments across the world as urgent. Some countries are re-designing their metropolitan governance arrangements to ensure that sound spatial planning leads to the creation of inclusive, healthy, sustainable cities. Sound strategic planning implies the need for elected local authorities that can lead and shape the socio-economic geography of entire city regions. An important argument here is that very small municipalities probably lack the geographical dimensions and organisational resources to even up life chances for disadvantaged groups in society.

What are the main reform options?

Options for the reform of metropolitan and non-metropolitan governance lie along a spectrum. For simplicity it is helpful to imagine three ways of bringing about effective cooperation and strategic planning across areas that are bigger than the existing territorial units of local government:

- merge existing units of local government into larger units
- pragmatic adjustment
- promote self-interested competition.

In any given setting there may be overlaps between these three strategies. However, for the purpose of analysis, it is helpful to separate them out.

Merge existing municipalities into larger units of local government

This is a route that has been followed in the UK. For example, in 1969 the Royal Commission on Local Government in England (known as the Redcliffe-Maud report) stressed that local government needs to do four things:

- perform efficiently a wide range of profoundly important tasks concerned with the safety, health, and well-being of people in different localities
- attract and hold the interests of its citizens
- develop enough inherent strength to deal with national authorities in a valid partnership
• adapt, without disruption, to the unprecedented process of change in the way people live and work.10

While the Government of the day did not accept the Commission’s recommendation that 58 unitary authorities should be created outside the metropolitan areas, the Local Government Act 1972 reduced the number of elected local authorities in England from over 1,300 to around 400. In doing so, the Act created a smaller number of more powerful local governments.

In section 4 we will see how this idea of merging separate local authorities into a new, larger and more powerful territorial unit remains an option for reformers. The example chosen to illustrate this strategy is the creation of the Auckland Council – a so-called ‘super-city’ – by the New Zealand government in 2010.

**Pragmatic adjustment**

A second way of producing effective collective action for large areas is through inter-local agreements, coalition building and/or the introduction of an additional tier of government designed to focus on strategic issues, for example, environmental protection and/or economic development. Pragmatic adjustment aims to strengthen the governance capacity of metropolitan and non-metropolitan areas without abolishing any existing elected local authorities.

There are many ways of bringing about pragmatic adjustment and these vary considerably across nation states. For example, in the USA many metropolitan areas have councils of governments (COGs). These are voluntary associations of local governments that function as a forum for regional policy dialogue. Local authorities in the metropolitan area are usually represented on the board of the COG by an elected official, such as the mayor or a member of the local council. Some COGs include representatives of other local and regional authorities, as well as representatives of private sector associations.

In many American metropolitan areas there are metropolitan planning organisations (MPOs). The federal government encourages this approach to collaboration by, for example, requiring that any federal funds spent on transportation infrastructure in a metropolitan area must be channelled through a local MPO.

However, independent research on US metropolitan governance suggests that both COGs and MPOs are not, in reality, all that effective in tackling present and emerging city regional challenges.11 Power remains very fragmented and this limits the capacity of the city region level of governance to take action.

Portland and Minneapolis-Saint Paul are exceptions to the dominant pattern of metropolitan governance in the USA. They both have relatively strong arrangements for city-region governance. Section 4 provides a profile of Portland Metro as it is an intriguing example of bold innovation. Metro has the status of a full local government with a leadership elected by popular vote. It is, in effect, a second tier of local government sitting above the level of the municipalities, and below the level of the state of Oregon.

The Greater London Authority is also profiled in section 4 as it, too, provides a respected example of pragmatic adjustment. In this case the upper tier of local
government, sitting above the London boroughs, is directly elected – with a directly elected mayor and an assembly of 25 members.

A further example of pragmatic adjustment presented in section 4 is the Association of the Region of Stuttgart (Verband Region Stuttgart, aka VRS). Again there is an elected regional assembly. In this model there is no directly elected mayor. Instead, the assembly selects a chair from its ranks.

Promote self-interested competition

A third approach to city-region governance tries to make a virtue out of governmental fragmentation. From this perspective, small units of local government should behave as if they were in a marketplace, and they should compete with one another to attract residents and businesses. Self-interested competition, so the argument goes, enables citizens and businesses to 'vote with their feet' by finding localities that offer attractive packages of services and tax burdens.

This 'public choice' theory of local government has a long tradition in the USA, and there is an interesting body of scholarship examining these ideas. However, the conditions it assumes bear little resemblance to reality. Most citizens and businesses in a given city-region are not, in fact, very mobile, and the theory disregards many important considerations – for example, the feelings of attachment people may have to the place where they live, the value of local social networks and the costs of constantly uprooting and moving. The theory, as it stands against the very idea of collaboration between units of local government, offers little that is relevant to the current discussion about the creation of combined authorities in England. It does not offer practical solutions to the challenges outlined above.

Insights for the devolution debate in England

Four main insights flow from the discussion outlined above and from the wider literature on local governance innovation in other countries:

- the movement to strengthen sub-national governance is an international one
- city-regions are important drivers of modern global prosperity and information technology is increasingly shifting the economic boundaries between urban and non-urban geographies
- international comparisons can spur fresh thinking
- the powers and status of elected local authorities vary enormously.

Strengthening sub-national governance has international momentum

Responding to new challenges requires adjusting the distribution of power to match the reality of where people live and work, rather than linking policies to administrative boundaries that were, in some cases, drawn centuries ago. This is not just about building collective self-determination in metropolitan and non-metropolitan areas. It also involves strengthening multi-level governance in order to improve the impact of all public policies on defined territories.
City regions and shifting economic boundaries

Cities, or more precisely city-regions, are playing an increasingly important role in the economies of countries across the world. There are now more than 300 city-regions with a population of more than a million. While there are various kinds of city-region, it seems clear that these expanding urban agglomerations have now established themselves as major drivers of socio-economic change in the modern world. In the UK 61 per cent of economic growth is generated by city regions, and yet only London registers in a list of the most significant global cities.

Having said that, we can note that 39 per cent of economic growth in the UK is generated by non-metropolitan areas. As noted by the Peace Report on ‘Devolution to Non-Metropolitan England’ the non-metropolitan areas have a vital role to play in improving England’s competitiveness. This suggests that effective devolution is needed to all parts of England, not just to the city regions.

International comparisons can spur fresh thinking

It is misguided to scan governance practices in other countries in the hope of finding ready-made solutions to current challenges. National cultures vary and cities and localities have different histories, experiences and characteristics. The task of international comparison is, then, not to search for mythical ‘best practice’ – there is no such thing. Rather the aim should be discover ‘relevant practice’ – that is, insights and approaches that can help councils be more effective in achieving their own distinct objectives.

The powers and status of elected local authorities vary dramatically

In many countries local government enjoys constitutional protection. This safeguards the local polity from unwanted interference emanating from higher tiers of government. The legal independence of local government is often matched by significant tax raising powers, and there tends to be a high correlation between local government power and high voter turnout in local elections.
3. Ensuring good devolved governance arrangements

Local authorities across the country are giving careful attention to the institutional design of the sub-national governance arrangements for devolution. There are opportunities for different models within the legislative framework provided by the Cities and Local Government Devolution Act (2016). Looking further ahead it is also desirable to consider how the governance arrangements of combined authorities might evolve over time.

Alongside this report, the LGA has also commissioned and supported separate guidance:

- ‘Cards on the table: tips and tricks for getting in on the action of devolution’, by Ed Hammond, Centre for Public Scrutiny, provides a thorough account of the process of securing good governance within the context of devolution.

- ‘Combined authorities: a plain English Guide’ by Phil Swann, Shared Intelligence, provides a clear overview of the steps necessary to successfully establish a combined authority and sets out some key questions for consideration by councils following the Cities and Local Government Devolution Act (2016).

This section identifies principles of good governance that could be helpful to local authorities as they engage in the institutional design of combined authorities and other forms of devolved governance. These principles also provide a useful set of criteria to appraise the examples of sub-national governance set out in section 4, and they underpin the strategic choices set out in section 5.

Principles of good governance

The first point to stress is that local authorities should, themselves, decide the principles that they wish to use to guide the creation and governance of devolved arrangements. Local authorities have a vital role to play in achieving local political objectives and maintaining a vibrant local democracy. In order to be successful in exercising democratically accountable local leadership, councillors and officers need to give care and attention to institutional design. The design of a local government institution can help or hinder the exercise of local leadership. In addition, institutional design can influence public attitudes to local government and local governance in general.

An early UK effort to develop principles for good local governance is provided by a Working Party, comprising representatives from local and central government as well as academia, set up in 1992. Published in 1993 the report of the Working Party, ‘Community Leadership and Representation: Unlocking the Potential’, identified six principles for the sound ‘internal management’ of local authorities:

- leadership in the community
• effective representation of the citizen
• clear accountability
• effectiveness in decision-making and implementation
• effective scrutiny of policy and performance
• responsiveness to local people.

These principles are sound and have, on the whole, stood the test of time. However, it is also the case that the role and purpose of local government has changed since this guidance was written, as have the expectations of citizens and other stakeholders. In addition, new information technologies have transformed the possibilities for sharing information about trends and policy choices, and these technologies provide opportunities for improving the transparency of government institutions.

While it is a simplification, it can be suggested that a major shift that has taken place in the last twenty years about the role of local government, a shift that can be captured in the phrase ‘from government to governance’:

‘Government makes decisions within specific administrative and legal frameworks and uses public resources in a financially accountable way. Governance, on the other hand, involves government plus the looser processes of influencing and negotiating with a range of public and private sector agencies to achieve desired outcomes. A governance perspective encourages collaboration between the public, private, and non-profit sectors to achieve mutual goals. There is a recognition here that governments cannot go it alone.’

The growth of new forms of partnership working, including the development of local enterprise partnerships (LEPs), points to a new public policy focus on the wellbeing of places rather than the performance of individual organisations. And, of course, combined authorities are intended to exemplify this move to a more collaborative form of local governance.

Taking account of this shift, the recent academic literature on sub-national governance, and the views of senior councillors in English local government, the following six principles are put forward for consideration by those designing sub-national governance arrangements.

1) Civic leadership

Does the model provide for effective place-based leadership?

Leadership in this context includes the capacity to develop a vision for the combined authority coupled with a governance arrangement that can ensure effective and accountable delivery of this vision.

2) Considered judgement

Does the model support high quality decision-making processes that go beyond discovering the self-interested preferences of various stakeholders?

The importance of creating sound arrangements for the development of deliberative local democracy is difficult to overstate.
3) Transparency and efficiency

Does the model make it crystal clear (to other councillors, professionals and the public at large) who is making decisions, on what issues, when, why and how?

Transparency is fundamental not only in building trust and confidence in the political process, but also in ensuring efficiency.

4) Accountability and legitimacy

Does the model ensure that decision-makers are held to account?

More specifically, are sound arrangements in place to ensure that there is effective scrutiny of decision-making by those seeking to hold the executive to account (non-executives, the public, other parties)?

5) Inclusive public involvement

Does the model provide for effective public involvement in decision-making?

A criticism of combined authorities is that they have a tendency to emasculate public debate about important public policy choices. Processes of decision-making need to ensure that the voices of citizens are included.

6) Inclusive business involvement

Does the model provide for effective involvement of the voices of business interests?

What role will local enterprise partnerships (LEPs) play in the governance arrangements? How will the authority assist local businesses?

From principles to strategic choices to organisational design

The councillors who are charged with the creation and development of new arrangements for devolved governance are entering uncharted territory. The design process is full of potential – there is a chance to introduce new ideas and new ways of governing localities stand ready to be invented. Previous experience with local government innovation suggests that agreeing a set of principles of good governance can help members identify important strategic choices. These, in turn, can lead to specific suggestions on how to design the formal structures and procedures of good devolved governance. It is wise to consider principles and strategic choices before getting into the details of operational design.19
4. Exploring good governance models on the ground

The challenges that elected local authority leaders face in the UK are, in practice, very similar to those faced by democratically elected local leaders in localities across the world. Globalisation and the socio-economic and cultural forces embedded in globalisation, know no boundaries. It follows that it is helpful to examine the experiences of other countries that have attempted to strengthen sub-national governance, and to consider what lessons might be drawn.

The first point to stress is that there is no simple answer to the question: ‘How do we strengthen sub-national governance?’ National socio-political cultures vary. What might be attractive for one nation could be unacceptable for another. However, it does not then follow that the UK can learn nothing from other countries. Many democratic nations are actively reconsidering how to improve their sub-national governance arrangements, and it is clear that innovations in other countries can provide insights for local authority leaders and other actors in the UK.

The value of ‘Innovation Stories’

There are different ways of engaging in international lesson-drawing for local governance. For example, the academic literature on comparative local governance has expanded in recent years and this provides a good deal of useful material. International networks of local governments also provide valuable resources and facilitate learning and exchange between localities.

An international book, ‘Leading the Inclusive City’, presents a new way of going about international lesson drawing: the Innovation Story. The idea of advancing knowledge through the documentation of case studies is well established in the social sciences and other academic fields. A case study is an in depth examination of an individual, organisation, event, or action, existing in a specific time and place. Using a variety of research methods evidence is gathered in a systematic way to reveal new insights. Good case studies take a long time to set up and execute, but they can be very illuminating.

An Innovation Story is an adaptation of the case study approach. It involves co-constructing a short, structured narrative describing and evaluating a particular innovation. It requires academics and practitioners to work together and it attempts to draw out lessons for others. It takes a lot less time than a full case study.

Innovation Stories relating to sub-national governance

This section contains four Innovation Stories, written to a standard template, to expand the horizons of those involved in designing sound arrangements for devolved governance in England. The examples have been chosen because they are all highly respected and because they highlight a range of potential options.

The examples presented are:
- Auckland Council, New Zealand
- Greater London Authority, UK
- Portland Metro, Oregon, USA
- Association of the Region of Stuttgart, Germany.
4.1 Auckland Council

Key learning points

- Long-established local authority boundaries were holding the city-region back.
- These outdated local authority structures were reformed.
- A compelling vision for the future of the city-region has been created.
- The directly elected mayor model has worked well.
- Special arrangements to support excluded groups can be introduced – for example, the Independent Māori Statutory Board (IMSB).

Figure 1: Overview of the Auckland Council governance model
Overview

In a comparatively short space of time the entire governance of Auckland has been transformed. In 2010, in a radical move, the New Zealand government abolished the eight local authorities—seven territorial authorities and the Auckland Regional Council—that were then governing the wider Auckland area. It replaced them with, what the press soon called, a ‘super-city’—a new, large, unitary authority, the Auckland Council, which is led by a directly elected mayor. The reform, which was stimulated by the Royal Commission on Auckland Governance and represents a bold effort to overcome the problems arising from a fragmented governance structure, has enabled a strategic, coordinated approach to the leadership, planning and management of the greater Auckland area.

Auckland is New Zealand’s largest city, with its administrative region covering 1,890 sq. miles. Its population is 1.57 million and, with 37 per cent of the country’s population, the city produces 35 per cent of New Zealand’s GDP. Auckland has the world’s largest Polynesian population, and is increasingly becoming one of the world’s most ethnically diverse cities, with 39 per cent of the current population born overseas. Its economic growth is positive at 3.7 per cent, and the city regularly ranks very highly on international liveability indexes. An additional 700,000 people are expected to make Auckland their home in the next thirty years. The Auckland Council stands as a remarkable innovation in metropolitan governance, one that will be of interest to other cities and countries.

Description

1) Powers of the unit of government

Set up in 2007, the Royal Commission on Auckland Governance found that metropolitan governance under the then existing arrangements was weak and fragmented, and that community involvement was poor. It recommended that the eight councils be replaced with a single unitary authority (responsible for both regional and local planning), with six subsidiary ‘local’ councils, and that the new council should be led by a directly elected mayor. The government agreed with some, but not all, of the commission’s recommendations. It legislated—the Local Government (Auckland Council) Act 2009—for a unitary authority made up of a governing body of twenty councillors and a directly elected mayor, plus 21 local boards, with each decision-making body having complementary roles.

The Auckland reforms have won international recognition, particularly the ‘One Mayor, One Council, One Plan’ vision for the strategic development of the metropolis. Regional and strategic planning, the council’s budget and regulatory functions are the responsibility of the governing body. The local boards are responsible for decision-making about local services and activities—for example, the management of parks, libraries, community facilities, and are responsible for identifying local community priorities and preferences as well as providing local input into region-wide strategies and plans.

Significant functions of the new council were given to a number of council controlled organisations (CCOs) with appointed boards of directors, including transport, water and wastewater, economic development, facilities management and urban development.
The CCOs operate separately, but are accountable to the governing body, which sets their direction and monitors their performance via Statements of Intent, letters of expectation to the boards, making of board appointments and a monitoring and reporting regime.

Auckland Council is the largest council in Australasia, with a £1.7 billion ($3.5 billion NZD) annual operating budget, £20 billion ($42 billion NZD) of assets and approximately 11,000 staff (council group). The council’s (including CCOs) largest single source of revenue is rates (a property tax), representing 41 per cent of total revenue. In addition to rates, the group also has many different types of revenue streams, totalling £987 million ($2,100 million NZD), which represents 59 per cent of total revenue. In 2015, the largest components were grants of £200 million ($425 million NZD), sourced primarily from government, mainly for land transport, and revenue from water and wastewater services totally £196 million ($418 million NZD). Other revenue streams include dividends from council-owned companies and shares, development contributions towards the cost of infrastructure and a wide range of fees and charges.

Some of the general powers enjoyed by the Auckland Council are set out in previous local government Acts affecting all local authorities in New Zealand. However, the 2009 Act spells out a number of specific functions and requirements relating to the Auckland Council – for example, the development of a thirty year spatial plan for Auckland, the establishment of Auckland Transport and its governance structure and responsibilities, and the consolidation of wholesale and retail water and wastewater supply into a single entity. The Act also provides for the creation of an Independent Māori Statutory Board, which ensures there is a voice for Māori (New Zealand’s indigenous people) in the governance of Auckland, and to assist in meeting its statutory obligations in relation to the Treaty of Waitangi 1840.

Local government in New Zealand does not manage schools or social services and is not required to provide social housing, although Auckland Council does provide a limited stock of pensioner housing.

2) Election arrangements for those serving in governance

Local government elections in New Zealand are triennial, using postal voting. Voter turnout in local government elections across New Zealand is not regarded as high, with a 42 per cent turnout in 2013, falling from 57 per cent in 1989. At the first elections to the Auckland Council in 2010 voter turnout was 51 per cent but in 2013 this figure had dropped to 36 per cent. Councils may elect to use preferential voting systems, but Auckland Council has retained the ‘first past the post’ system, meaning candidates must win 50 per cent plus one of the votes cast to win office.

The governing body of the council comprises twenty councillors from 13 wards, plus the Mayor. The 21 elected local boards have between five and nine members (149 in total). The Mayor has some executive powers – he/she appoints the Deputy Mayor, establishes the committees of the governing body, appoints their chairs and he/she chairs the governing body itself.

The Mayor also has a statutory responsibility to:

- promote a vision for Auckland
• provide leadership to achieve this vision
• lead the development of region-wide council plans, policies and budgets
• ensure the council engages effectively with all Aucklanders.

Local elections in Auckland next take place in October 2016.

3) The executive governance arrangements

All Auckland Council powers are vested in the Auckland Council. The directly elected mayor has a very high public profile and is very influential in the governance of the metropolis but, in practice, he or she has comparatively few executive powers. The Mayor proposes the budget, for example, but still requires majority support to have it adopted by the governing body.

There is also a statutory provision for the mayor to establish a mayoral office, with a minimum budget of 0.2 per cent of the council’s annual operating budget. This office supports the Mayor in carrying out his or her statutory roles of leading policy development, council plans and budgets, and assists the Mayor in ensuring the council engages with the people of Auckland.

Executive authority is delegated from the council to the chief executive who is appointed by the governing body. As in UK local government the chief executive is a professional officer who is appointed on merit. There are limits to the amount of authority that can be delegated in relation to spending decisions. The chief executive appoints and employs all staff of the council organisation, but not the staff of the council controlled organisations (CCOs).

4) The scrutiny arrangements

The New Zealand controller and auditor-general is an officer of Parliament. His or her mandate and responsibilities are set out in the Public Audit Act 2001. All local authorities are accountable to the public for the activities they fund through locally raised revenue. As an officer of Parliament, the auditor-general provides this independent assurance to both Parliament and the public. Since 2006, the auditor-general has had a statutory duty to issue opinions on local authorities’ long-term plans, that is, their ten-year budgets.

Moving to the scrutiny arrangements within the Auckland Council itself, there is a committee of the council responsible for reviewing the performance of the chief executive on a quarterly basis. This committee reviews performance and makes recommendations to the council. Delegations of authority – for example, financial, regulatory, legal, employment – by the council to the chief executive, and by the chief executive to different levels of staff, are detailed extensively in a delegations register. There is also currently an Audit and Risk Committee and CCO Governance and Monitoring Committee, although the committee structure is determined by the Mayor of the day.

When decision-making is to be made by elected members at committee meetings, rather than through delegated powers to the executive, a simple majority is required to either accept or reject the recommendations of staff. Decision-making by elected representatives is generally conducted in public, unless there are demonstrable grounds for confidentiality.
Evaluative commentary

1) Civic leadership

Auckland Council was designed to balance effective regional governance with responsive local decision-making on matters that are purely local in impact. There are provisions in the council’s enabling legislation that set out the respective decision-making responsibilities of the council and the local boards. The governing body and the local boards are responsible, and democratically accountable, for the decision-making of the Auckland Council as a whole. The Mayor has a specific role, also in statute, relating to the development of council plans and articulating and promoting a vision for Auckland. The ‘One Mayor, Once Council, One Plan’ strategy has been praised for providing a coherent and compelling vision for the metropolis. The local boards provide a vehicle for place-based leadership of different communities in Auckland.

2) Considered judgement

The design of this model of governance is intended to ensure all voices are represented in the decision-making process, especially in relation to metropolitan-wide issues. Initially, the government considered having some or all of the councillors elected at large, rather than representing wards, as a way of minimising the risk of parochialism at the regional level. However, this was not progressed.

The model provides for strong strategic leadership by the directly elected mayor, coupled with responsiveness to localities within the metropolis via the network of local boards. Naturally there are conflicts of view on policy and priorities. For example, the council was recently required to develop a local alcohol policy under the Sale and Supply of Liquor Act. Some local boards had strong views on limiting liquor outlets at the very local level, while the governing body took the approach of creating three broad zones of categorisation. The desire of local boards to have direct input into land use planning decisions was also contested early on in the new structure, with a compromise being reached within the regulatory framework after considerable debate. On the whole these conflicts have been resolved through deliberation and discussion.

3) Transparency and efficiency

Meetings of Auckland Council are held in public, as are the meetings of local boards. Roles and responsibilities are explicit and are set out clearly on the Auckland Council website. However, one of the criticisms of the amalgamation has been that it is difficult for the public, and firms, to navigate multiple, complex planning and decision-making structures. Areas where this has proved especially challenging include development projects, where decisions are made by: a range of CCOs (water, wastewater, transport) on infrastructure, local boards on local social infrastructure (parks, libraries, community facilities) and the governing body on land use planning. Significant efforts have been made over the past six years to develop a more coordinated approach to infrastructure planning and the release of land for development, including the development of a single land-use planning document for all Auckland (the Unitary Plan). The development of the Unitary Plan is a process where stakeholder interests are highly visible and vocal. This has been mitigated by the establishment of an
Independent Hearings Panel, headed by an Environment Court judge, to hear submissions on the draft plan and make recommendations to the council.

4) Accountability and legitimacy

As with any elected representative structure, accountability is ultimately through the ballot box, with elections taking place once every three years. In addition, New Zealand has well-established arrangements for local government audit and monitoring.

The governance structure is perceived by some Aucklanders as putting ‘too much power’ in the hands of unelected boards. It is true that the boards of the council controlled organisations (CCOs) are important actors in the governance of the metropolitan area. However, the accountability arrangements for these CCOs are robust and specific provisions were made in the Local Government (Auckland Council) Act 2009 to strengthen the accountability requirements for Auckland CCOs (sections 91-95).

Another controversial feature of the Auckland Council has been the inclusion of the Independent Māori Statutory Board (IMSB) in the governance structure, which was legislated for at the amalgamation. The Royal Commission had proposed that two seats on the Auckland Council be declared Māori seats (similar to the New Zealand parliamentary arrangements). This idea was rejected and the board was created as a political compromise between opposing parties within the coalition government of the day.

The board has nine members selected by a body representative of local Māori. The board is required to appoint two members to sit on the council committees that deal with management and stewardship of natural and physical resources. The current administration has also invited members of the IMSB to sit on a range of other committees, where they have the same input into decision-making as elected members.

5) Inclusive public involvement

Auckland Council has made particular efforts to engage with the public in its decision-making processes. In fact, effective public engagement is a statutory responsibility of the Mayor. The metropolitan and local decision-making structure enables engagement on issues of region-wide significance (long term financial plan, land use planning, spatial planning) as well as on discrete local issues (design of new social infrastructure such as libraries and parks, opening hours of community facilities, local grant making to community groups).

6) Inclusive business involvement

The council is currently served by a number of advisory panels representing various interest groups and communities in Auckland – for example, a Youth Advisory Panel, a Seniors Advisory Panel, a Disability Advisory Panel and the Independent Māori Statutory Board. In addition, a Business Leadership Group has been established to ensure a stronger working relationship between the council and the business sector. The business community has been largely positive about the amalgamation, especially its ability to deal with one council, with one voice. The council has had a
strong focus on being business friendly, with a key account management approach being put in place for larger consenting customers, which creates a single point of contact across all parts of the council group. There is also a strong focus on business attraction, especially internationally, through the council’s economic development agency.

Sources

Auckland Council: www.aucklandcouncil.govt.nz


4.2 Greater London Authority

Key learning points

- First ever directly elected mayor in UK local government – an idea opposed by many in 1999 but now well established.
- A strategic metropolitan authority with the London boroughs continuing to provide most local government services.
- Introduction of a congestion charge in 2003 regarded as a very successful innovation at home and abroad.
- Very high level of visibility for the directly elected mayor.
- Important scrutiny role for the London Assembly.

Figure 2: Overview of the Greater London Authority governance model
Overview

The Greater London Authority (GLA), a strategic metropolitan authority created by the Greater London Authority Act 1999, serves a population of 8.6 million and has over 800 staff. It has a mayor-council form of government in which there is a separation of powers between the executive (the directly elected mayor) and the 25-member London Assembly, which scrutinises the Mayor and holds him or her to account. The ‘principal purposes’ of the GLA are to promote economic development, wealth creation, social development and environmental improvement in London. It has powers over transport, policing, strategic spatial planning, housing, economic development, and fire and emergency planning.

Below the level of the GLA the 32 London boroughs and the City of London continue to provide the majority of local government services. To promote coordination between borough level service-delivery and pan-London policy-making there is a range of largely non-statutory partnership boards in place. These operate under the auspices of a Congress comprising the Mayor and the leaders of the London boroughs.

In 2000, Ken Livingstone, when he was elected Mayor of London, became the first directly elected executive politician in UK history. While some, in English local government, opposed the idea of a mayor-council model of governance, believing it to be unsuited to British politics, the evidence suggests that the GLA has worked relatively well. For example, city leaders in other countries view the introduction, in 2003, of a congestion charge on vehicles entering the central area of the capital as a successful environmental measure that they would wish to emulate, and it is clear that mayoral leadership brought about this breakthrough.

Description

1) Powers of the Greater London Authority (GLA)

The GLA is a strategic metropolitan authority with powers over transport, policing, strategic spatial planning, housing, economic development, and fire and emergency planning. The planning policies of the Mayor of London are detailed in a statutory London Plan that is regularly examined in public, updated and published. The GLA was not originally set up to directly provide services itself. Instead, three functional bodies carry out most of the work under the policy direction of the Mayor and the Assembly. These are:

- Transport for London (TfL) – covering public transport, main roads, traffic management and administration of the congestion charge
- Mayor’s Office for Policing and Crime (MOPAC) – overseeing the Metropolitan Police service
- the London Fire and Emergency Planning Authority (LFEPA) – administering the London Fire Brigade and coordinating emergency planning. (Note, at the time of writing this body due to be with effect from April 2017, with the functions will be brought into the GLA).
Since its establishment in 2000 the GLA has evolved and expanded its role, both through the actions of respective mayors and partly because of legislation. The focus of the organisation has shifted from primarily policy formation to a greater emphasis on direct responsibility for delivery of outcomes, particularly around housing and land. For example, the Localism Act 2011 provided the Mayor with powers to establish Mayoral Development Corporations and there are now two – the London Legacy Development Corporation (on the site of the London Olympics) and the Old Oak and Park Royal Development Corporation.

The total budget of the GLA Group in 2016/17 is £15.9 billion, comprising a revenue budget of £11.1 billion and a capital budget of £4.8 billion. The budget provides for some £800 million to be raised from council tax precept income. Other sources of income include fares, charges, government grants and an element of retained business rates income.

At the time of writing, discussions are ongoing regarding the devolution of further powers to the GLA and/or the GLA working in concert with the London boroughs. For example, the Government has announced its intention to pilot 100 per cent retention of business rates in London from 2017. This will likely have implications for joint governance arrangements between the GLA and the boroughs.

2) Election arrangements for those serving in governance

Elections for the Mayor of London and for the London Assembly take place at the same time once every four years. Voters receive three ballot papers: one to vote for the Mayor of London and two for the London Assembly. The voting system for the Mayor is the supplementary vote: voters are asked to express a first and a second preference. If no candidate wins more than 50 per cent of the first choices the top two candidates go through to a second round of counting. The second preferences of voters have influenced the outcome in all five London Mayoral elections.

In relation to the London Assembly elections voters have two votes: one for their constituency Assembly Member (representing their geographical area within London); and one for a London-wide Member. Fourteen members represent constituencies and eleven members represent the whole of the capital. In the GLA elections held in May 2012 the voter turnout was 38.8 per cent, a figure that is very close to the turnout of 38.9 per cent in local elections held for the London boroughs and the City of London in May 2014. In 2016 the voter turnout for the GLA election was 45 per cent.

3) The executive governance arrangements

The Mayor has an important convening power and a very high public profile. In addition, the Mayor has a number of formal executive powers relating to: the budget; policy; and appointments of senior staff (that is, mayoral advisers, but not senior officers). In addition, the Mayor also has a substantial influence over the work of the GLA Group of agencies although, in practice, day-to-day leadership is delegated to deputy mayors. However, the Mayor is not a free agent. He or she needs to listen to and respond, to some extent at least, to the London Assembly and the voices of other stakeholders.
For example, the Mayor sets the GLA budget. But, while this has not happened to date, if the London Assembly could achieve a two-thirds majority in favour of an alternative budget the assembly’s budget would prevail. The Assembly cannot veto mayoral proposals.

4) The scrutiny arrangements

The London Assembly holds the Mayor and mayoral advisers to account by publicly examining GLA policies and programmes through committee meetings, plenary sessions, site visits and investigations. The Mayor has a statutory duty to consult the assembly on a number of strategies and functions. In addition, the assembly questions the Mayor ten times a year at public Mayor’s Question Time meetings. The Mayor must also consult Assembly Members before producing statutory strategies and the multi-billion pound budget for the GLA Group. Assembly meetings are open to the public. The Greater London Act 2007 gave the Assembly the power to hold confirmation hearings for specified mayoral appointments.

Twice a year, the Mayor and the Assembly Members hold a ‘People’s Question Time’ where members of the public can raise questions relating to the Mayor’s statutory functions. These are held in large venues, attracting up to 1,000 residents and have been located across London. The Assembly’s meetings regularly include an ‘open microphone’ element whereby particular interest groups can address the meeting. Interest groups that have featured in recent meetings include cyclists, gypsies and travellers, and the deaf community.

Evaluative commentary

1) Civic leadership

There is no doubt that the GLA model of metropolitan governance underpins very high profile city leadership. In the years since the creation of the Mayor and Assembly in 2000 London’s national and international profile has been enhanced enormously. The directly elected mayor model has meant that the first two mayors of Greater London – Ken Livingstone (2000-08) and Boris Johnson (2008-16) – are now not just household names in the UK, but also well-known political leaders on the international stage. Successes, such as attracting the Olympics and securing funding for Crossrail, are unlikely to have happened in the absence of a directly elected champion for the city. In addition, the London Assembly has provided a platform for civic leadership. Assembly Members have championed a range of issues on behalf of Londoners and have made a significant policy impact in areas such as air quality, transparency of the GLA Group, rail devolution and the smoking ban.

2) Considered judgement

The rules and guidelines developed by the GLA relating to procedures and decision-making are extensive. There are a large number of protocols and requirements relating to, for example, ethics, competency, codes of conduct, and whistle-blowing, and these are openly presented on the GLA website. Naturally there are conflicting views on policies and priorities and sometimes these conflicts are intense. For example, the GLA Oversight Committee has examined the procurement of the Garden Bridge design contract and made a number of strong criticisms of the Mayor and Transport for London.
3) Transparency and efficiency

The model of governance is clearly set out on the GLA website and the GLA operates with a high level of transparency when compared with other parts of the public sector. Roles and responsibilities are explicit and London Assembly meetings and Mayor’s Question Time meetings are conducted in public. However, Assembly Members on the GLA Oversight Committee have expressed concerns about the lack of transparency in the working arrangements for parts of the GLA Group. They have now carried out two reviews of transparency in the organisation of GLA business (in 2013 and in 2016) and have concluded that, while progress has been made in improving openness, transparency is not all that it should be. They have made recommendations for improving transparency, notably in the Mayor’s Office for Policing and Crime.

4) Accountability and legitimacy

The process of direct election of the Mayor and Members of the London Assembly ensures that political representatives are held to account at the ballot box. This is an important strength of the GLA model of governance. All those elected to serve the GLA are held to account in open, fair and free elections. In addition, the separation of powers between the executive (the Mayor) and the London Assembly is intended to ensure that the Mayor is held to account. However, some believe that the scrutiny arrangements are blurred and that this weakens accountability. For example, some Assembly Members play roles in the mayoral team.

5) Inclusive public involvement

Reference is made above to the opportunities members of the public have to observe GLA decision-making as it takes place, and to contribute their views at ‘People’s Question Time’ meetings. In addition, London Assembly Members play a vital role in representing the views of citizens to the Mayor and mayoral advisers. Assembly Members receive a large a number of questions and suggestions from their constituents, carry out a lot of site visits, and ask questions at Mayor’s Question Time meetings about concerns that have been put to them. Many of the scrutiny investigations carried out by the London Assembly focus on issues that would, otherwise, be neglected – for example, making the transport network better for those with sensory impairment.

6) Inclusive business involvement

The GLA is very active in collaborating with business interests to promote London internationally and to promote economic development and economic opportunity within London. The local enterprise partnership for London, the London Enterprise Panel, which is chaired by the Mayor, focuses on regeneration, employment and the skills agenda for London. It runs the London Growth Hub, a one-stop shop providing a range of support services to London businesses, and has working groups on small and medium-sized enterprises (SMEs) and on digital/creative/science and technological innovation. Other efforts to include business voices in the governance of London include the Smart London Board, which brings together business leaders and academics to advise the Mayor on how to use digital technologies for the benefit of London, and the London Food Board, which advises the Mayor on food strategy for London.
Sources

Greater London Authority website: www.London.gov.uk


4.3 Portland Metro Region

Key learning points

- Bold reforms in 1978 created a metropolitan level of government above the level of the existing municipalities.
- No directly elected executive mayor.
- A directly elected president, who does not have independent powers, works closely with the six directly elected councillors.
- A directly elected Metro auditor provides independent scrutiny.
- High level of transparency and strong public involvement.

Figure 3: Overview of the Portland Metro governance model
Overview

Voters approved the creation of a regional government, the ‘Metropolitan Service District’, to serve the Portland metropolitan area in 1978. The origins of this, the first directly elected regional government in the USA, can be traced to the 1950s when a Metropolitan Planning Commission was set up to promote effective regional planning. Metro now serves more than 1.8 million people within Clackamas, Multnomah and Washington counties, and the agency’s boundary encompasses Portland, Oregon and 25 other cities, although not the most distant rural areas of those counties. The Metro Council comprises a President, directly elected region-wide, and six councillors, who are elected by district every four years in nonpartisan races. The Metro auditor, elected region-wide is responsible for overseeing Metro’s financial affairs and for conducting performance audits. Metro is widely recognized as a highly successful model of regional governance in the USA, a country where metropolitan governance is, on the whole, not well developed.

Description

1) Powers of Metro

The core purposes of Metro are to provide region-wide land use and transportation planning and to manage growth, infrastructure and development issues that cut across jurisdictional boundaries. Metro manages and controls certain aspects of urban development, consistent with Oregon state-wide land use planning law, in order to protect farms, forests and the natural environment, and it works with local partners to conserve historic neighbourhoods, spur economic development and accommodate growth. Metro serves as the Metropolitan planning organisation (MPO) for Transportation, and enables the region to meet Federal and State transportation planning requirements for the three-county area. In addition, Metro runs various regional attractions, for example, the Oregon Zoo and Oregon Convention Centre, manages 17,000 acres of parks, trails and natural areas, and oversees the region’s solid waste system. A key function of Metro is to determine the ‘urban growth boundary’ and to set out a vision for the future of the area. Adopted by Metro in 2008 the current vision – ‘Our Place in the World’ – sets out an ambitious and detailed strategy for the area.

Metro employs 1,600 employees, including park rangers, economists and planners. Current revenues for Metro in fiscal year 2015/16 were budgeted at £255 million ($370 million USD). Forty percent – or nearly £101 million ($147 million USD) – are enterprise revenues generated by Metro’s activities, especially for solid waste and from visitor venues. Metro budgeted £41 million ($59 million USD) in local property taxes and £14 million ($21 million USD) in excise taxes. About 11 per cent of Metro’s revenues are from federal, state, and other local government transfers. The remaining earnings are from interest earnings and bond sales.

2) Election arrangements for those serving in governance

Elections employ a ‘first past the post’ system, that is elected officials at Metro must win at least 50 per cent plus one of the votes cast to win office. The President of Metro is directly elected, as is the Metro auditor, and they both serve a four-year term.
The six councillors, elected to represent geographical districts in the Metro area, also serve four-year terms. Elections take place for all positions at the same time. Elections are staggered so that, basically, half the council gets elected every two years. The voter turnout at the last Metro elections in 2014 was 40 per cent. This compares with an average voter turnout in Oregon local elections of around 35 per cent to 58 per cent. Since Metro was created in 1978 voter turnout has varied widely depending on how contested the election is by strong candidates. The highest voter turnout for Metro was 70 per cent in 2010. On that occasion there were two strong candidates running for council President.

3) The executive governance arrangements

All Metro powers are vested in the Metro Council, which has seven members: the directly elected President, who presides over the council, and the six councillors. The President appoints all members of the committees, commissions and boards created by the council, and is enormously influential. However, the President does not have powers that are independent of the council, as happens, for example, with some directly elected mayoral models of governance. The council meets regularly in meetings that are open to the public. As a general rule the agreement of the majority of councillors present, and constituting a quorum, is necessary to make council decisions.

The Metro Council President is a full time position, and the Metro Council positions are considered one-third time. Salaries for the council President and councillors are pegged to the salaries for Oregon circuit court judges.

The Metro Council appoints two officials: the chief operating officer and the Metro attorney. The chief operating officer is responsible for the day-to-day operations of Metro and hiring all of the employees (except for the Metro attorney and Metro auditor). The Metro attorney handles all litigation on behalf of the agency.

Metro may impose, levy and collect taxes and can issue bonds. Any broad-based taxes of general applicability on, say, income, property or sales, requires the approval of the voters of Metro before taking effect.

Metro has a strong track record of open meetings and public involvement in decision-making. For example, the agency has adopted policies for open meetings and public engagement that incorporate, and go beyond, the requirements of federal and state governments (of which there are many). The principles that guide Metro’s public participation practices are embodied in the ‘Public Engagement Guide’ adopted by the Metro Council in November 2013. In general, the agency has adapted many new practices that reflect the way that people in the 21st century work with governments. The agency has also adopted practices designed to get input from disadvantaged residents who often do not participate in traditional meetings or open houses.

4) The scrutiny arrangements

The directly elected Metro auditor serves full time and may not be employed by any other person or entity while serving as auditor. The auditor is empowered to make continuous investigations of the operations of Metro, including financial and performance auditing.
The auditor does not perform any executive function. Rather he or she provides an important scrutiny role and can make published reports to the Metro Council on any matter relating to the performance of the organisation, and provide recommendations for remedial action. There is a complete separation of powers between the executive and the scrutiny functions.

In addition to the reports from the auditor, Metro publishes quarterly management reports. The final report for each year includes a ‘balanced scorecard’. The balanced scorecard views the organisation from six distinct perspectives: financial performance, internal and external customer service, business process efficiency, employee learning and growth, sustainability and diversity. Up to five years of data are provided for each measure.

**Evaluative commentary**

1) Civic leadership

It is clear that the Metro model of governance underpins highly visible political leadership of the metropolitan area. The process of direct election ensures that the President is a visible and well-known public figure. However, unlike in a directly elected mayor model of governance, the President does not have personal authority to take executive decisions. Rather the councillors also play an important civic leadership role. While the President is ‘first among equals’ the senior political leadership of Metro is collective: the seven members of Metro Council share the political leadership task. This does not diminish the power of Metro to exercise effective, place-based leadership for the metropolitan area. Note that Metro does not have a directly elected mayor.

The awareness of the natural environment and the qualities of the place are highly developed within the political culture of Oregon. Citizens are, on the whole, very concerned about the natural environment and understanding of the ecological challenges facing the planet is advanced. It follows that, as a general rule, the citizens of the Metro area are committed to protecting the qu ality of the environment and to ensuring that their place is well managed. These cultural values, and the political support of activists, influence public discourse and there is strong support in the population for the green agenda. However, this is not to the exclusion of other concerns. As in other city regions, there are conflicts between those anxious to ensure the implementation of the strategic management of urban growth, and local interests that, at times, favour a variety of urban development projects for economic reasons.

2) Considered judgement

People in the Greater Portland area are civically active and the local political culture places a high value on public participation. To enjoy public support decisions made by the Metro Council need to be sensitive to this political context. The fact that high-level decisions have to be agreed by a majority of the Metro Council ensures that perspectives of different localities are presented and recorded. Naturally, there are conflicts of view on policy and priorities but these are usually resolved through deliberation and discussion.
Metro's strength in this area is that its primary responsibilities in all of its functional areas (with the possible exception of the Oregon Zoo and the Oregon Convention Centre) require the agency to be focused on the major, long-term threats and opportunities that face the region. This enables Metro to ensure that many voices and perspectives are considered before taking final actions.

3) Transparency and efficiency

The model of governance is clearly set out in the Metro Charter. Roles and responsibilities are explicit and the conduct of Metro business in public Metro meetings means that the model has a high level of transparency. The independent, directly elected Metro auditor provides a check on the activities of Metro Council. This individual has the legitimacy and resources to examine issues relating to effectiveness and efficiency.

4) Accountability and legitimacy

The President, the councillors and the auditor are all answerable to the citizenry at the ballot box. Other candidates for office can and do stand, and these positions are often contested. All those elected to serve on the Metro enjoy the legitimacy of direct election, and they are held to account in open, fair and free elections. In addition, the separation of powers between the Metro Council and the auditor means that the Metro auditor can provide an independent, third party review of the effectiveness of the agency.

5) Inclusive public involvement

Metro has extensive arrangements for public involvement. These arrangements are set out in an excellent paper, a ‘Public Engagement Guide’, published in 2013. This guide will be of interest to any sub-national government that wishes to provide clear and accessible information on decision-making. It is designed to assist community members who want to engage with Metro, staff seeking useful ideas and federal agencies wanting to verify compliance with legal requirements.

6) Inclusive business involvement

The business community is effective in engaging with Metro on issues where there is a clear link to business, economic development, and employment. In particular, Metro has active relationships with business in issues around land use and development, transportation planning and funding, and solid waste regulations and operations.

Sources


Metro website: [www.oregonmetro.gov](http://www.oregonmetro.gov)


4.4 Association of the Region of Stuttgart

Key learning points

- Directly elected regional governance introduced in 1984.
- Existing municipalities remain.
- No directly elected mayor.
- The members of the Assembly appoint the Chair of the Assembly from their own ranks.
- Particularly strong business involvement.

Figure 4: Overview of the Association of the Region of Stuttgart governance model
Overview

Established in 1994 the new region of Stuttgart is one of the first successful efforts at metropolitan reform in Germany. A relatively ineffective regional planning association was replaced by a new, directly elected system of regional governance: the Verband Region of Stuttgart (VRS). The VRS is responsible for regional spatial planning, landscape framework planning, regional transport planning, economic development and parts of waste management. The metropolitan region, which has a population of 2.6 million, encompasses 179 municipalities, five counties and the city of Stuttgart. The core city, with 550,000 residents, is surrounded by several medium-sized cities, and there is a high level of commuting from the surrounding areas into Stuttgart and the other cities.

Citizens elect an 87-member regional assembly and a wide range of political parties are represented. The assembly appoints a chair from its ranks to lead the assembly for a five-year term. The VRS employs a relatively small team of fifty staff and has a budget of £226 million (€290 million). The VRS works closely with the city of Stuttgart, the counties and the municipalities. While there will always be conflicts of view on the location of particular developments, the VRS enjoys a relatively high level of support from the local authorities. Most of the smaller communities recognise the benefits that are to be gained from being part of a strategic authority. The VRS has been particularly effective in helping to build new regional networks for entrepreneurs and those active in the creative industries. It has also been active on the international stage – the VRS was the first region in Germany to establish an office in Brussels in 2002 and is an active member of the European Network of Metropolitan Regions (METREX).

Description

1) Powers of the unit of government

In the German planning system regional plans provide a link between spatial and economic goals developed at the Land (or state) level and the land use plans devised by municipalities at the local level. In 1972 the Land of Baden-Wuerttemberg, in Southern Germany, established twelve regional associations for which regional plans had to be developed by law. One of the twelve regions was the Mid-Neckar Region. It comprised five counties and the city of Stuttgart. However, this planning association lacked the powers to tackle the challenges facing the region. In particular, because many residents and businesses were moving to suburban municipalities, the city of Stuttgart encountered serious fiscal problems. The economic crisis of the late 1980s and the beginning of the 1990s, which led to massive job losses in the automotive industry in the area, spurred leaders at the Land and local level to adopt a more radical approach.

In 1994, the relatively ineffective regional planning association was replaced with a new kind of elected regional governance: the Verband Region Stuttgart (VRS). The VRS is responsible for the following tasks:

- comprehensive regional planning including setting a mandatory framework for local land use plans (the VRS defines where and how much land can be zoned for further development for housing, commercial and retail
development, protected open space and so on; the municipalities remain responsible for deciding on detailed planning permission)

- landscape framework planning (covering, for example, land, water and climate change mitigation)
- the development of a ‘landscape park’ – a programme to improve the quality of open spaces for recreational purposes
- regional transport planning and regional public transit (including regional railways, metro busses, park and ride facilities and traffic management)
- parts of waste management
- regional economic development and tourism marketing.

In addition, the VRS has the right to voluntarily take on tasks in the fields of culture, sports, events and trade fairs at the regional scale.

The annual budget of the VRS is £225 million (€290 million). The funding comes from a diversity of sources: a contribution from the Land of Baden-Wuerttemberg, three different levies (association, transport, waste) from its member communities, income from running the regional rail system (the S-Bahn), as well as project funding for which the VRS applies regularly to higher levels of government, the EU and to private sector sponsors.

2) Election arrangements for those serving in governance

The VRS has a directly elected regional assembly. Representation for the 87 seats in the regional assembly is related to the population sizes of the five counties and the city of Stuttgart. A wide range of political parties is represented and no one party has overall control. The individuals elected to the assembly include professionals, interested citizens as well as local authority mayors and county councillors.

Citizens of the region, meaning those aged 16 years and above, elect the regional assembly once every five years. The elections use a system of proportional representation (involving lists of candidates). The law requires the assembly to comprise a minimum of 80 and a maximum of 96 members. The existence of the 16 flexible seats ensures that the results of the election reflect the level of support for the lists within election districts and within the region as a whole. Elected councillors do not represent a county, municipality or any other geographical constituency. Rather they are elected to represent the region as a whole. All those elected to serve, including the Chair, are part time politicians. The voter turnout at the last elections to the VRS in 2014 was 53 per cent, almost exactly the same as in 2009. It should be noted that the elections for the regional assembly take place at the same time as the elections for the other local councils and for the European Union.

3) The executive governance arrangements

The Chair of the assembly, who is chosen by the members of the assembly, has an important leadership role but has little independent executive power. He or she prepares the agendas for the assembly meetings, and also the agendas for the three committees: Economy, infrastructure and administration; Transport and mobility; and, Planning. The assembly meets five or six times a year. The committees may make decisions on minor issues, but their main role is to prepare policy papers for decision by the assembly. The assembly decides the policies of the association and also sets the budget.
The Chair proposes the executive director of the association and the assembly appoints this person for a period of eight years. The executive director leads the administration, represents the association and implements the decisions of the assembly. He or she participates in the work of the assembly, including the three committees, acting as an adviser.

4) The scrutiny arrangements

The work of the administration is under the political control of the assembly. The executive director and the officers of the association are held to account by the assembly. The Land of Baden-Wuerttemberg ensures the work of the association complies with the law.

Evaluative commentary

1) Civic leadership

The VRS model of government provides high profile and visible leadership for the region of Stuttgart. The organisational design balances leadership at the level of the region with leadership at lower geographical levels. A key strength of the VRS model is that, unlike most regional governance arrangements in Germany, the members of the assembly are elected. This gives these political leaders the legitimacy to take tough strategic decisions on, for example, where urban development should take place. Public leadership responsibilities are, however, dispersed in the sense that the city, the counties and the municipalities are autonomous local government units who retain responsibilities for most local government services.

2) Considered judgement

The arrangements for regional governance have improved the quality of metropolitan decision-making considerably. In the years before the creation of the VRS representatives of units of government within the region were often engaged in fierce political conflicts. The system of regional governance introduced in 1994 has helped to shift the local political culture away from territorial disputes and towards an attitude that is more focused on problem solving for the wider area. This is certainly a feature of the work carried out by the three committees of the assembly.

Decisions of the assembly and the committees can, of course, be taken on the majority principle. But an implicit understanding has grown up that all decisions should attract either unanimous support or at least substantial majorities. On the whole members of the assembly consider themselves as representatives of the region as a whole and not of a single municipality.

3) Transparency and efficiency

The model of governance for the VRS is clearly set out on the region’s website. The assembly meets five or six times a year and these meetings are public. Likewise the three committees of the assembly also meet in public. The combination of a directly elected assembly and a lean planning administration means that, in most cases, the decisions of the assembly are implemented relatively swiftly.
4) Accountability and legitimacy

All members of the assembly are answerable to the citizens at the ballot box. Free and fair elections are held every five years. The counties and municipalities have no direct veto power over decisions made by the assembly. However, it is usually the case that more than half of the members of the assembly are, at the same time, members of a county or municipality. This cross-membership helps to ensure that voices representing local government units are influential within regional governance.

5) Inclusive public involvement

The VRS is involved with several regional networks including networks of churches, sports and a regional development association. These networks are built around particular issues or functions, for example, sports facilities, economic development and so on. They provide opportunities for dialogue with civil society that go beyond the important roles played by political parties and elections. Opinions are divided on how successful arrangements are for public involvement in the work of the VRS. On the one hand, the transparency of decision-making and the existence of a variety of informal networks suggest that public involvement is good. On the other hand, access to the various networks is not necessarily open to all, and it is also the case that citizens tend to be more concerned about local issues than with region-wide policy making. However, the process of direct election gives citizens a clear opportunity to shape the character and priorities of regional governance.

6) Inclusive business involvement

The business community plays an active role in the work of the VRS. For example, the VRS created a regional development agency in 1995 as a private enterprise. The VRS owns 51 per cent of the agency, bears the financial risk and appoints the director. Other shareholders are the municipalities, the development bank of Baden-Wuerttemberg, the chamber of commerce and to a minor degree the labour unions. The Chamber of Commerce and other business organisations operate with the same geographical boundary as the VRS and this is considered a major strength.

Sources


Verband Region Stuttgart: www.region-stuttgart.org

5. Strategic choices for combined authorities

The devolution settlements, agreed in recent months by government and council leaders in various parts of the country, have introduced fresh thinking on how to improve local governance. This report suggests that this process of reform and innovation can be improved if more attention is now given to:

- deeper reflection on the nature of the challenges now facing sub-national governance in England
- the articulation of sound principles to guide the institutional design of combined authorities
- careful consideration of alternative models of governance for combined authorities.

Strategic choices for combined authorities

The political objectives of devolution and the principles of good governance set the scene for a series of organisational design choices. In this section we use the six principles set out in section 3 to highlight important choices and options. Here our emphasis is on learning from international experience provided through the innovation studies in section 4.

1) Civic leadership

1.1 A directly elected mayor versus collective leadership models

The Government has taken the view that directly elected mayors should form part of the governance arrangements for combined authorities. The Cities and Local Government Devolution Act (2016) does not, however, require combined authorities to be led by a directly elected mayor. The Secretary of State for Communities and Local Government has the discretion to allow different leadership arrangements in different combined authorities.

The international evidence shows that different cities have adopted different models of city leadership and that no one model is superior to the others. There is solid research evidence from a ‘before’ and ‘after’ study of mayoral governance in Bristol to support the claim that directly elected mayors can provide visible leadership. However, it does not then follow that other forms of city leadership should be ruled out. For example, Copenhagen is widely regarded as one of the most liveable cities in the world but it does not have a directly elected mayor.

Section 4 contains profiles of four respected models of sub-national governance. Two of the Innovation Stories – Auckland Council and the Greater London Authority - provide examples of successful metropolitan governance where a directly elected mayor plays a key role. The two other successful city regions – Portland Metro and the Association of the Region of Stuttgart – do not have directly elected mayors.
In the case of Portland Metro there is a directly elected President. However, this individual does not have independent executive power. In the case of the Association of the Region of Stuttgart the most senior leader is not directly elected at all. The international evidence shows that cities across the world can and have thrived without a directly elected mayor.

1.2 Directly elected mayors offer a range of possibilities

For those combined authorities that do decide to opt for a directly elected mayor model of leadership it is worth emphasising that, within the mayoral model of governance, there is a wide range of options. In simple terms these can be said to rest along a continuum from a ‘strong mayor’ model, in which the mayor has substantial executive powers, through to a ‘strong council’ model, in which the mayor has comparatively few formal executive powers.\footnote{22}

In some countries the directly elected mayor has formidable executive power – for example, the Mayor of New York City. However, in many cases, the directly elected mayor is seen not as a heavyweight executive but as a facilitator, a leader with the legitimacy to shape the agenda and the actions of others, not someone with enormous personal authority to take decisions.\footnote{23}

In the examples provided in section 4 we can see that both the Mayor of Auckland and the Mayor of London have substantial ‘positional’ power. The mayors in both these city regions have a very high public profile and they influence significantly the behaviour of other actors inside and outside their cities, but their personal executive power is rather limited.

It follows that a whole set of choices open up for mayoral combined authorities relating to the balance of power between the mayor and other councillors.

2) Considered judgement

2.1 Discussing the separation of powers

Ever since the passing of the Local Government Act 2000, English local authorities have operated on the basis of a ‘separation of powers’ between an ‘Executive’ and an ‘Assembly’. Combined authorities are also required to operate on this basis. The balance of power between the Executive (whether it is an individual or a group) and the Assembly is a key issue in relation to ensuring considered judgement in the decision-making arrangements of the combined authority.

A major strength of the Cities and Local Government Devolution Act (2016) is that it leaves open a wide range of possibilities relating to the balance of power between the Executive and the Assembly. The figure below provides an illustration of the way responsibilities of the Executive and the Assembly can be shifted around to achieve different objectives.\footnote{24}
In local governments across the world there is huge variation in the way powers are distributed between the Executive and the Assembly. Combined authorities will wish to develop their own ideas on this power sharing relationship. It would also be wise to build in opportunities to review the balance of powers in the light of experience.

2.2 Including different voices

Combined authorities wishing to ensure that councillors with different kinds of experience are able to exercise senior leadership roles may feel that mayoral models have limitations. That question aside, it is clear that combined authorities, whether they have directly elected mayors or not, can invent an array of new arrangements for ensuring inclusive leadership in their constitutions. There are opportunities for creating innovative arrangements for a wide range of voices to be heard.

In this respect the Auckland Council arrangements for giving a voice to the Māori community, via an Independent Māori Statutory Board (IMSB), may be of interest. As explained in section 4.1, members of the IMSB sit on a range of committees and have the same input to decision-making as elected members. Combined authorities can, if they wish, consider introducing arrangements to ensure that voices that tend to be excluded from active deliberation can, in fact, be included – through special institutional arrangements.
3) Transparency and efficiency

3.1 Openness in decision-making

There can be little doubt that introducing arrangements to advance transparency should be a high priority for combined authorities in England. The evidence suggests that, to date, public understanding of the roles and responsibilities of combined authorities is low.

The Innovation Stories in section 4 provide four examples of how sub-national governance arrangements have been created that, to varying degrees, advance the cause of more transparent and more efficient decision-making. Strengths of the authorities profiled in section 4 are:

- presentation on their websites of explicit details of how decision-making works
- clear arrangements for public examination of particular policies and practices.

There is room for combined authorities in England to invent new ways of presenting issues and public policy choices to their citizens. The ‘Public Engagement Guide’ published by Portland Metro – see section 4.3 – provides an excellent example of good practice in relation to transparency and efficiency.

4) Accountability and legitimacy

4.1 Direct election versus indirect election

Should the individuals who serve on combined authorities be directly elected by citizens? Or is a process of indirect election preferable? Indirect election has, to date, been the preferred process used to appoint councillors to serve on combined authorities in England. And, in some cases, partner organisations, such as local enterprise partnerships (LEPs), have been invited to nominate individuals to serve on the combined authority (sometimes with different voting rights).

The indirect election process has strengths. It can, for example, build very strong links between the localities within the combined authority area and the wider metropolitan or non-metropolitan region. However, it is worth considering whether the introduction of direct election arrangements for combined authorities could strengthen their accountability and legitimacy.

The Greater London Authority (GLA), profiled in section 4.2, is not, of course, a combined authority. But the model is instructive. City leaders in other countries tend to have a favourable view of the strategic capacity of the GLA, and it is clear that the process of directly electing the members of the London Assembly and the Mayor is well understood by the citizens of the capital. Arguably this process strengthens public support for metropolitan leadership.
The experience of the Association of the Region of Stuttgart, set out in section 4.4, suggests that a process of direct election can give a significant boost to the legitimacy of civic leaders. In the years before there was a directly elected regional government in the Stuttgart region there was fierce conflict between local authorities. The previous regional planning association, which was indirectly elected, was unable to rise above these sectional interests. In the period since 1994 the directly elected regional government has fostered a region-wide problem solving culture.

4.2 Scrutiny arrangements

It is essential that combined authorities give early and careful consideration to the introduction of effective overview and scrutiny arrangements. Too often, and this is, perhaps, a fault of the ‘devolution deal’ making approach, the process of constructing the new arrangements for sub-national governance of various parts of England has been confined to a relatively small number of elected members and officers working with civil servants and ministers.

In other democratic countries this process is regarded as strangely over centralised. To outsiders it may seem that the central state is becoming far too involved in trying to determine the detailed design of the governance arrangements, on a selective basis, of particular localities in England.

International experience suggests that a much more open process is likely to be both more effective in delivering results, and more attractive to citizens. In all four cases presented in section 4, there are reasonably strong arrangements in place for holding area-wide leadership to account.

5) Inclusive public involvement

5.1 Options for representation

The four Innovation Stories also reveal four different ways of designing representative arrangements for sub-national governments. Portland Metro has a directly elected area-wide President and six councillors representing six geographical districts in the Metro area. The model ensures strong overall leadership while also ensuring that different areas have a voice.

The Greater London Authority has a directly elected mayor and a London Assembly. The Assembly is, in some ways, similar to the Portland Metro in that it has area-based representatives elected on a constituency basis. However, the 25-member London Assembly has two kinds of representative: fourteen members are elected on a constituency basis and eleven are London-wide members.

The representation structure of Auckland Council is multi-level. It has a directly elected mayor and twenty councillors elected on a constituency basis. In addition, there are 21 elected local boards dealing with local matters. Auckland Council also has arrangements for giving voice to the Māori community, via an Independent Māori Statutory Board (IMSB).

The Association of the Region of Stuttgart is different again. The 87 members of the regional assembly do not represent constituencies at all. Rather they are elected via a system of proportional representation to serve the region as a whole.
The four approaches have different strengths and weaknesses, and these differences can prompt fresh thinking.

5.2 Opportunities for dialogue and public involvement

Alongside the representative structures just outlined the four authorities presented in section 4 have in place a variety of measures to encourage public participation. As well as holding their meetings in public all four sub-national governments provide opportunities for citizens to interact directly with their elected representatives, and a few are mentioned here.

In Greater London the Mayor and the Assembly Members hold ‘People’s Question Time’ meetings where members of the public can ask questions and raise issues. London Assembly meetings regularly include an open microphone element whereby particular interest groups can address the meeting.

Auckland Council provides a variety of ways for citizens to ‘have a say’ in decision-making processes. For example, citizens are free to join the People’s Panel survey system – regular surveys seek the views of panel members on issues of concern. The council also has a variety of public consultation procedures in place in relation to, for example, district plans and local board plans.

The Association of the Region of Stuttgart reaches out to the public via a set of regional networks relating to particular topics – for example, sports facilities and economic development.

Portland Metro has a particularly sophisticated approach to public involvement. The area has a long-established culture of active civic engagement and there are many ways in which Metro discusses policy and practices with citizens. The ‘Public Engagement Guide’ on the Metro website provides an excellent overview of the ways in which Metro works with advisory committees, stakeholder groups, interest groups and with the public at large.

6) Inclusive business involvement

6.1 Listening to and supporting local business

All four authorities featured in section 4 are active in engaging with business interests. Local enterprise partnerships (LEPs) have been in place across England since 2011 and combined authorities are developing a variety of ways of working with their LEP or LEPs.

In Greater London the LEP for London, which is known as the London Enterprise Panel, is chaired by the Mayor of London. As noted in section 4.2 this helps to build a strong set of relationships between business interests and the Greater London Authority.

Turning to international experience, the authorities featured in section 4 adopt a variety of strategies for engaging with business interests. The business community is particularly active in the work of the Association of the Region of Stuttgart. For
example, the regional development agency, created in 1995, is an interesting public/private partnership.

Auckland Council established a Business Leadership Group to strengthen links between the council and the business sector. The city region is growing and a major focus of interest is how to attract new businesses. Similarly, Portland Metro works with business interests to promote the city region nationally and internationally.

Looking forward

It is important to stress that the creation of a combined authority is not a once-and-for-all process. The external environment will change, new challenges will emerge and different national policies and legislative requirements will be introduced in the coming years. It follows that it will be essential to review the strategic direction and changing role of the combined authority over time.
6. Annex: The trajectory of devolution in England

This Annex provides an ‘at a glance’ overview of the way devolution policy in England has evolved as well as a guide to studies that have examined this process in more depth.

Figure 6: Illustrative timeline of English Devolution

<table>
<thead>
<tr>
<th>Year</th>
<th>National Government</th>
<th>Key Events</th>
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</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td>General Election</td>
</tr>
<tr>
<td>2011</td>
<td>Conservative / Liberal Democrat</td>
<td>First combined authority established in Greater Manchester</td>
</tr>
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<td></td>
<td></td>
<td>Localism Act 2011</td>
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<tr>
<td>2012</td>
<td></td>
<td>Heseltine Review ‘No stone unturned’ recommends ‘conurbation wide’ mayors</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>Government accepts Lord Heseltine’s recommendation for ‘conurbation wide’ mayors</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>Combined authorities established in the North East, West Yorkshire, Sheffield and Liverpool</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scottish Referendum</td>
</tr>
<tr>
<td>2015</td>
<td>Conservative</td>
<td>First ‘devolution deal’ with the Greater Manchester Combined Authority</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>General Election</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Eligible ‘devolution deals’ agreed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expected election of mayors to combined authorities</td>
</tr>
</tbody>
</table>

Highlights

2009

The Local Democracy, Economic and Construction Act 2009 provided the legal structure enabling two or more local authorities to take on statutory functions transferred to them by an Order made by the Secretary of State, plus any functions
that the constituent authorities agree to share. Under the Act combined authorities can be set up with or without a directly elected mayor.

2011

In 2011 Greater Manchester Combined Authority (GMCA) became the first combined authority. In 2014 four more combined authorities were established – in the northeast, West Yorkshire and in the city regions of Liverpool and Sheffield.

2014

In September 2014 Scotland came close to breaking away from the UK, and the Prime Minister’s speech on the morning after the referendum marked a significant turning point in the debate about devolution in general, and devolution within England in particular.

The first ‘devolution deal’ was agreed with the GMCA in late 2014.

2015

Greg Clark, Secretary of State for Communities and Local Government in the newly elected Conservative Government, presses ahead with devolution. Eight ‘devolution deals’ were agreed in 2015.

2016

The Cities and Local Government Devolution Act (2016), inter alia, paves the way for the creation of combined authorities with greater flexibilities around functions and composition, as well as the election of directly elected city region mayors in May 2017.”
Useful resources


Acknowledgements

This report could not have been produced in such a short space of time, or at all, without the active support of many colleagues working inside and outside city region governance in Germany, New Zealand, the UK, the USA and a number of other countries. First of all my thanks go to officials working for the city region governments featured in section 4: Auckland Council, Greater London Authority, Portland Metro and the Association of the Region of Stuttgart. They provided expert comments on draft versions of the Innovation Stories and their comments were more than helpful. Second, I thank the many scholars and professionals who provided ideas and suggestions, and also offered critical comments on drafts of the profiles. These include: Carl Abbott, Bill Barnes, Christine Cheyne, Valeria Fedeli, Ian Green, Hubert Heinelt, Jacob Norvig Larsen, Christian Lefevre, Peter McKinlay, Connie Ozawa, Andy Sancton, Isabella Scaramuzzi, Gregg Schrock, Ethan Seltzer, David Sweeting, Ron Vogel, Wim Wiewel, Hal Wolman and Karsten Zimmermann. Third, I wish to thank the elected members and officers of the Local Government Association for their advice, particularly in relation to the principles set out in section 3, and for their comments. Needless to say, I take responsibility for the views expressed in this report.

About the author

Robin Hambleton is Professor of City Leadership in the Faculty of Environment and Technology at the University of the West of England, Bristol and Director of Urban Answers. Before becoming an academic he worked in English local government and central government. He was the founding President of the European Urban Research Association (EURA) and Dean of the College of Urban Planning and Public Affairs (CUPPA) at the University of Illinois at Chicago, USA. His latest book is ‘Leading the Inclusive City. Place-based innovation for a bounded planet’ (Policy Press).
Endnotes

1 At the time of writing, six combined authorities have been established, and a further six are proposed. The Greater Manchester Combined Authority came into existence on 1 April 2011. Sheffield City Region, West Yorkshire and Liverpool City Region came into existence on 1 April 2014, the North-East Combined Authority came into existence on 8 April 2014 and the Tees Valley Combined Authority came into existence on 1 April 2016.


6 This report is concerned with devolution to metropolitan and non-metropolitan areas in England, and our scan of international experience is focussed on reforms in other countries that relate to this agenda.


9 These distinctions draw on a recent international study of big city regions: Kantor P., Lefevre C., Saito A. and Thornley A. (2012) Struggling Giants. City region
Learning lessons from international models of sub-national governance


19 This idea of considering the underlying challenges, and then developing principles to guide the design of local governance arrangements, is well set out in: Local Government Management Board (1993) Fitness for purpose. Shaping new patterns of organisation and management. Luton: Local Government Management Board.


21 A before and after study of mayoral governance in Bristol shows that the mayoral model has delivered much more visible leadership than the previous cabinet-council model of leadership. For example, before the mayoral model was introduced 24% of citizens thought that the city had visible leadership; after the mayoral model was implemented 69 per cent thought the city had visible leadership. See: Hambleton R. and Sweeting D. (2015) The Impacts of Mayoral Governance in Bristol. September. Report of the Bristol Civic Leadership Project. Bristol: School for Policy Studies, University of Bristol. More: http://bristolcivicleadership.net

23 The idea of the directly elected mayor as a facilitator, as someone who accomplishes objectives through enhancing the efforts of others, is long established in the American literature on civic leadership. See, for example, Svara J. H. (1990) *Official Leadership in the City. Patterns of conflict and co-operation*. Oxford: Oxford University Press.