A Whitehall perspective on decentralisation in England’s emerging territories
Whitehall aspirations for ‘localism’

- The perceived failure of top down targets & cuts in public funds has made localism an attractive option.
- The desire for a ‘new politics’ in an era of austerity.
- Whitehall wants to ‘incentivise’ local structures to take charge of economic development.
- There are different interpretations of localism across departments.
- Decentralisation of authority needs to be balanced with democratic accountability.
Perceptions on local governance capacity

• Opportunities
  – New funding flexibilities to incentivise local structures (but a lack of consensus between civil servants & politicians)
  – Manchester ‘city deal’ viewed as the benchmark
  – Emphasis on innovation & strategic investment (but capacity concerns)

• Challenges
  – Variable capacity of local structures viewed as a genuine concern
  – Whitehall departments (e.g. DfT) not convinced that localities can work together to promote strategic investment
  – Can Whitehall let localities fail?
  – Balancing decentralisation with public accountability
  – Economic development not a top priority for cash strapped local authorities
Is Whitehall shifting to genuine decentralisation?

• Opportunities:
  – Localism has forced *some* Whitehall departments to adapt to a changing environment
  – Departments seem more spatially aware than under regionalism
  – There is a strong view that the economic crisis has ‘focussed the mind’ & ensured commitment
  – Opportunities for funding flexibilities

• Challenges
  – Departments are currently working out their role & remit within the new localism
  – Some felt that if LEPs ‘fail’ then an alternative solution will need to be found quickly
  – The localist agenda is characterised by a high degree of risk & uncertainty - is this the right environment for genuine decentralisation?