



Future
Governance
Forum

Metro — Dynamics

IMPACTFUL DEVO^{LUTION 04}

Stewards of the Regional System: Strengthening
the foundations of strategic authorities

By Ben Lucas, Elizabeth Hopkins,
Hamida Ali, Adam Terry and Ilina Sen

Published
January 2026



This paper was first published in January 2026
The contents and opinions expressed in
this paper are those of the authors only.

Company number, England & Wales: 14406854

Contents

<u>About</u>	2
<u>About The Future Governance Forum</u>	2
<u>About Metro Dynamics</u>	3
<u>About London Councils</u>	3
<u>About the authors</u>	4
<u>Acknowledgements</u>	6
<u>Executive summary</u>	7
<u>Introduction</u>	14
<u>Part One: The state of play - where we are</u>	16
<u>1. Different modes of devolution over the past 25 years</u>	17
<u>2. The complexities of economic geography</u>	19
<u>3. Changing purpose, powers and capacity over time</u>	20
<u>4. Strategic authorities as 'stewards' of their regions</u>	21
<u>Part Two: Report findings - what we heard</u>	22
<u>1. Core purpose and emerging form</u>	22
<u>2. System delivery for growth and reform</u>	27
<u>3. Improvement and accountability</u>	31
<u>Part Three: Ideal state - what we recommend</u>	36
<u>1. Core purpose and emerging form</u>	36
<u>2. System delivery for growth and reform</u>	38
<u>3. Fiscal devolution</u>	41
<u>4. Improvement and accountability</u>	42
<u>5. London arrangements</u>	43

About The Future Governance Forum

The Future Governance Forum (FGF) is a progressive, non-partisan think tank focused on reforming the state with the ultimate goal of renewing the nation. We make politically credible recommendations for reforms that can be delivered nationally and locally, build strong networks to test new ideas, and collaborate and use our relationships with public, private and social sector leaders to innovate.

Our current programmes of work explore:

- **In Power:** how can we reimagine government to make it fit for the multi-dimensional challenges of the mid-21st Century?
- **Mission Critical:** how can we translate mission-driven government from ambition into action?
- **Impactful Devolution:** how can we meaningfully and permanently devolve power to regional and local levels in one of the most centralised countries in the world?
- **Rebuilding the Nation:** how can we utilise innovative models of public and private investment to spur growth and rebuild our crumbling infrastructure?
- **Institutional Renewal:** how can we reform existing state institutions, and establish new ones, so they are fit for purpose and built to last?

By prioritising these questions we are thinking about new progressive models of governance for the long term. Our working model is to convene experts and find ways in which we can bring perspectives from very different organisations together to suggest ways in which the “how” of government could be more effective at every level.

Get in touch:

-  hello@futuregovernanceforum.co.uk
-  futuregovernanceforum.co.uk
-  [@FutureGovForum](https://twitter.com/FutureGovForum)
-  The Future Governance Forum FGF
-  [@futuregovforum](https://www.facebook.com/futuregovforum)
-  [@futuregovforum.bsky.social](https://www.nextdoor.com/futuregovforum)

About Metro Dynamics

Metro Dynamics is an employee-owned consultancy founded in 2015 to support places to grow stronger, more inclusive economies. From our beginnings in supporting devolution, we have worked with central government departments, cities, universities, investors and businesses to add lasting capacity to places. We advise organisations working in and investing around the country on all aspects of how to make their place better, from physical development and regeneration to innovation and business support, to inclusive growth, skills and public health. And we work across the economic development and regeneration life cycle, from analysis, strategy, project development, finance and business cases, through delivery, evaluation and monitoring.

About London Councils

London Councils is the collective of London local government, the 32 boroughs and the City of London Corporation. We come together through London Councils to work in collaboration to deliver their shared ambitions for London and Londoners. Through lobbying, collaboration and partnership, we ensure the voice of the London boroughs are united, and heard at a local, regional and national level.

About the authors

Ben Lucas

Ben is an expert on the political and economic drivers that are needed for growth and how to shape narratives that best reflect these. He advises places on governance, inclusive growth and how best to work with Westminster and Whitehall. Before becoming a founding director of Metro Dynamics, Ben had a long career in public policy and communications, advising cities, businesses and charities on how best to achieve their policy objectives. He has worked with ministers, officials and local government leaders on a range of public policy issues and has set up and run a public affairs consultancy and two highly influential commissions, the 2020 Public Services Commission and the RSA City Growth Commission. He started his career as a research officer for a trade union and then went on to advise Labour frontbencher Jack Straw, where he was responsible for the development of Labour policy on local and regional government. He is chair of the Growth and Reform Network, a partnership between Metro Dynamics and The Future Governance Forum to support mayors and councils on inclusive growth and public service reform.

Elizabeth Hopkins

Elizabeth is an experienced policy consultant, having worked in social and economic policy in central government, parliament and public affairs. Elizabeth's experience in government has included designing local growth funding and programmes to tackle regional inequalities in the cities and local growth unit. She was previously a senior researcher for Heidi Alexander MP (as Shadow Health Secretary), and worked in health and NHS policy. Elizabeth applies experience in local economic and public service policy to support places to deliver inclusive growth and build great places to live and work. Recent projects at Metro Dynamics include supporting the development and implementation of devolution deals, developing investment opportunities in inclusive growth, and creating strategy for public-private economic collaboration in places. As a Policy Associate with The Future Governance Forum, Elizabeth focuses on devolution and regional economic growth policy development.

Hamida Ali

Hamida is Head of Learning and Practice at The Future Governance Forum. She served as a councillor for Woodside ward in the London Borough of Croydon from 2014-2022. In October 2020, Hamida was elected as Leader of the Council and responsible for steering the council through a period of significant turbulence prompted by serious financial and governance problems. Hamida is Faculty Associate Director for the Leadership Centre's Future Vision Programme and delivers some of the leadership development programmes for councillors for the Local Government Association (LGA). Hamida also has 20 years experience of addressing equality and diversity in public sector organisations including local and regional government, the criminal justice system, public service broadcasting and the trade union movement.

Adam Terry

Adam is Deputy Director at The Future Governance Forum, having previously been the Labour Party's Head of Policy Development. Prior to that he worked as Head of Policy in the Shadow Treasury Team and as a senior political adviser in both the UK and European Parliaments. He started his career in the UK civil service, including roles at the British Embassy in Kabul and the Prime Minister's Office in 10 Downing Street. He has also worked in both the charity sector, as Head of Public Affairs at the housing charity Shelter, and the private sector, as a senior adviser at the political consultancy Global Counsel.

Ilina Sen

Ilina is an Associate Director at Metro Dynamics, leading their work on devolution, economic systems and delivery. She has a background in local government transformation and is passionate about regional devolution, rebalancing the scales between Whitehall and places to achieve lasting growth.

Acknowledgements

This report, which has been supported by London Councils, was developed through research and engagement with senior figures in local, regional and national government, through a series of interviews, several workshops and group discussions through London Councils' members and officer networks and a roundtable at the LGA 2025 annual conference in Liverpool.

We are grateful to London Councils for making many of their networks available and to all colleagues we spoke to for the purposes of this report. This engagement generated ideas and comments that have helped to inform the report, but the conclusions set out here are the responsibility of the report's authors.

Executive summary

Devolution is a significant change to the English political and policy landscape. It has the potential to correct regional economic imbalances, improve local living standards, and put more power directly into the hands of people and their communities. Moreover, it is bringing much-needed new energy and innovation to England's system of governance, at a time when faith in the state's ability to make a difference is at an all-time low. Mayors and local leaders have already used new powers gained under devolution to improve people's lives in many practical ways, and the English Devolution and Community Empowerment Bill currently passing through parliament will grant further powers still, as part of the process of designating all regional tiers of government as 'strategic authorities'.

The report outlines a set of principles and accompanying recommendations for strengthening the foundations of these strategic authorities. They are aimed at all parts of the local, regional and national system, and we hope that they will be useful to strategic authority mayors, leaders and officers, as well as to national government.

The current and emerging picture

Establishing new strategic authorities and building their capacity

The English Devolution and Community Empowerment Bill groups strategic authorities into three categories:

1. **Foundational Strategic Authorities (FSAs):** non-mayoral strategic authorities, and some upper-tier local authorities without mayors;
2. **Mayoral Strategic Authorities (MSAs):** all mayoral combined authorities and mayoral combined county authorities will automatically begin at this tier, including the Greater London Authority (GLA); and
3. **Established Mayoral Strategic Authorities (EMSA):** subject to meeting a series of criteria around longevity, finance and governance, mayoral strategic authorities can request to move up to 'established' status and gain access to a multi-year integrated funding settlement and the annual right to request national government to devolve additional powers.

The government's aim is that all strategic authorities should eventually become EMSAs, with access to integrated settlements¹. They will normally consist of a combination of local authorities, across their area. The Greater London Authority (GLA) has been designated as a Mayoral Strategic Authority for the purposes of the English Devolution White Paper².

¹ House of Commons Library, ['Research Briefing: The English Devolution and Community Empowerment Bill 2024-25'](#), August 2025, pp.21-24.

² Ministry for Housing, Communities and Local Government, [English Devolution White Paper, Power and Partnership: Foundations for Growth](#), December 2024

In practice, however, there are substantial differences between strategic authorities, even those which are technically part of the same category. These differences arise from economic geography, scale and their relative history of economic collaboration.

The first Mayoral Combined Authorities (MCAs) - largely established between 2015 and 2019 - were based on city regions, most of which already had a history of economic governance collaboration, and the cultures and institutions that reflect this. The MCA structures were then built on existing capabilities, especially in relation to metropolitan transport bodies. The GLA was set up explicitly as a strategic transport and economic development institution, with significant delivery capacity. All of these city regions were also based on economic models of city-based agglomeration.

The newer MCAs such as East Midlands, York and North Yorkshire, Greater Lincolnshire and Hull and East Yorkshire - which came into being in 2024 and 2025 - have more complex economic geographies, including at least one city alongside more rural areas. But critically they do not have collaborative transport institutions from which to build their strategic authorities.

The added ingredient for many of the 2024-25 MCAs (and some of the newer ones from the 2015-19 period) is local government re-organisation. This will create new principal authorities, which could well be larger than many metropolitan and London borough councils. For these newer Mayoral Combined County Authorities, they may well have constituent members whose size and budget scale will make them core delivery partners on major areas of strategic responsibility like growth and housing, to an even greater extent than is the case in large city region areas.

One stark and practical illustration of these differences is in the institutional capacity and staff numbers of what will become strategic authorities. The Greater Manchester Combined Authority (GMCA) and GLA each have several hundred members of staff and a range of institutional delivery vehicles, whereas newer combined authorities have far fewer staff. Yet, over time, all strategic authorities will be required to perform similar functions.

The answer to this challenge lies not just in building up core institutional capacity within strategic authorities themselves (though that will be required), but also in mobilising the wider capacity of local government and partner agencies within the region behind delivering core regional missions.

This is a critical part of this paper's central recommendation: that strategic authorities should operate as stewards of the regional system.

The Devolution Priority Programme - using the time before Mayoral elections to plan priorities and to build capacity and capability

The government's Devolution Priority Programme (DPP), first announced in the English Devolution White Paper in 2024, is aimed at accelerating progress towards becoming a Mayoral Strategic Authority in six areas of the country that

do not currently have a regional level of governance³. The six areas chosen for inclusion in the DPP were announced in February 2025⁴.

For this next wave of strategic authorities, and any others that follow, the differences with the city regions that made up the original MCAs will be even greater, with polycentric economies and little history of collective economic collaboration. The decision to delay the mayoral elections for these areas - two of them until May 2027; the other four until 2028 - makes the need for planning and collaboration between their local authorities all the more urgent.

The consequence of the delay is to hand the initiative to the local authorities and the shadow structures that they put in place to get on with the job of driving growth and reform now, rather than waiting for Whitehall or their future Mayor to lead this. The current local authorities and the new principal authorities in those six areas will have access to capacity funding and a third of their investment fund each year before a Mayor is elected plus the ability to start to develop a pipeline of investable projects. Those authorities should use that resource and the time ahead of the elections to work together to agree both the inclusive growth prize they are aiming for and their preferred model of strategic authority delivery. Those areas outside the DPP that decide to move faster towards establishing Foundational Strategic Authorities will also need to undertake similar collaborative scoping, ambition framing and planning work so that they can start to achieve their growth priorities.

Again, this is part of our core recommendation that strategic authorities should operate as stewards of the regional system.

Report findings and recommendations

This report considers the issues of form, function and capacity set out above and outlines a set of principles and findings that can help policymakers build stronger foundations for the new strategic authorities that are filling the ‘missing middle’ in English governance.

1. Core purpose and emerging form

- a. **Broadening purpose, from regional economic governance to inclusive growth and public service reform.** Britain is scarred by economic inequality between and within regions, and is struggling with low earnings, low growth and low productivity - major driving forces behind the national government’s economic growth mission. Taking a similarly mission-led approach to regional governance inevitably translates into strategic authorities being the mission convenors for their region. This builds on the way in which the MCAs’ purpose has broadened over time since their original conception as vehicles for strategic economic development, and means they should now be responsible not only for economic planning, but also inclusive growth, with prevention-based public service reform and population health lying at this intersection.

³ Ministry for Housing, Communities and Local Government (MHCLG), [English Devolution White Paper, Power and Partnership: Foundations for Growth](#), December 2024, pp.112-113.

⁴ The six areas are Cumbria, Cheshire and Warrington, Greater Essex, Hampshire and the Solent, Norfolk and Suffolk, and Sussex and Brighton.

- b. **A partnership with national government to drive national economic renewal.** As we proposed in our first report in FGF's Impactful Devolution series, there needs to be a partnership between national government and strategic authorities to drive growth, reform and economic rebalancing.⁵ We need to rewire the connection between national and regional economic and industrial policy in the context of devolution. This needs to have institutional form and investment clout. That means connecting national industrial, infrastructure, trade and investment, and housing strategies and their funding flows to strategic authorities.
- c. **A blended model of governance and delivery for strategic authorities.** Strategic authorities represent a synthesis between aspects of the GLA mayoral model and the original MCAs. This could be best described as a 'blended model', combining clear and specific mayoral leadership and authority with collaborative governance and delivery. Mayors have a direct mandate and a critical role in building and maintaining public support and engagement with the work of the strategic authority. Through the strategic authority they will be able to exercise hard power on areas like spatial planning. But much of the strength of strategic authorities will also lie in the deployment of soft power to unlock public service reform and approaches that will require collective decision-making and local government delivery.

2. System delivery for growth and reform

- a. **Strategic authorities need greater capacity to deliver.** As regional governance in England has evolved, form has not kept pace with function. All strategic authorities need the capacity to build pipelines of investable projects and prevention programmes, aligned to national government and investor opportunities. Integrated settlements will help build programme capacity, but this is still some way off for newer strategic authorities. Arm's length bodies and government investment agencies should put more of their commercial and project capacity into partnerships with strategic authorities.
- b. **Collaboration across the system is critical.** Strategic authorities are built on collaboration. MCAs developed with local authority support and out of local authority economic collaboration. But this is not just an end in itself: the point of collaboration is to achieve a bigger prize through joint working; to be greater than the sum of the parts. The English Devolution and Community Empowerment Bill outlines seven functions for strategic authorities, each of which will involve collaboration in priority-setting, governance and delivery. The institutional delivery role for strategic authorities and principal authorities will vary considerably depending on the function:

⁵ Ben Lucas and Elizabeth Hopkins, 'Impactful Devolution 01: A new framework for inclusive local growth and national renewal', The Future Governance Forum, July 2024.

- i. For strategic services like economic development, transport, and planning, strategic authorities will be the lead delivery body; in other functional areas this will be more of a shared role.
- ii. On public service reform, the regional system should set strategy and priorities. Principal authorities should be the lead delivery organisations, aligning with their statutory functions and focusing in particular on neighborhood prevention and reform plans, while strategic authorities should unlock reform opportunities through the integrated settlement process, derisk finance and innovation, lead on data and insights and spread best practice across their regional systems. This collaboration on public service reform should also identify opportunities for shared service efficiencies across the regional system, for example on strategic HR and recruitment, planning, housing site delivery, and other regulatory and service enablers.

- c. **Common principles for regional stewardship.** Based on our research and interviews, we have established five principles for strategic authorities' regional stewardship role:

- i. Setting regional missions or priorities
- ii. Galvanising the regional system to deliver
- iii. Regional strategic commissioning
- iv. Partnership working with local government and other agencies on key social and economic priorities, such as homelessness
- v. Direct delivery for some strategic growth activities at strategic authority level, and others like public service reform at principal authority level.

3. Fiscal devolution for growth and reform

- a. **Strategic authorities need greater fiscal devolution if they are to achieve their full potential on growth and reform.** There are two elements to this: revenue assignment to drive regional reform, and investment levers to drive growth.
 - i. Integrated settlements represent a big opportunity to support regional reform through revenue assignment, with strategic authorities controlling multi-year budgets that could enable them to reprofile programmes and investment towards prevention. These should be ambitious, with the first phase establishing a floor rather than a ceiling to what can be in scope. Building on the re-emergence of Total Place in the 2025 Budget, its 'place-

based pilots' should lead to full Total Place settlements that extend integrated settlements to a much wider range of public service spending.

- ii. New fiscal and investment levers⁶ are also needed to enable mayors and strategic authorities to deliver their local growth and spatial investment plans. This should start with the visitor levy announced at last year's Budget, and business rate retention, but also include land value capture, together with business rate supplement extension, and possible designation of infrastructure investment on a regional basis, similar to the French model. In London, this also needs to include a deal that enables the retention of more of the proceeds of growth for investment, in return for less direct national government investment.

These two aspects of fiscal devolution, linked to public service and welfare reform and to economic growth, should be pursued through a process of purposeful experimentation. Each strategic authority should be supported to develop and grow its scope and capacity, but the most established ones should not be held back from moving faster, especially where this can have national benefits on growth and reform.

4. Improvement and accountability

- a. **There needs to be a stronger sector-led learning and improvement system.** MCAs have been entrepreneurial in their evolution. As new institutions and new forms of governance, they have had to build the plane at the same time as flying it. But they also need institutional learning and improvement support. Strategic authorities need a safe space for sharing learning, discussing new challenges, and learning from both international and previous regional and local policy.
- b. **Strategic authorities will need more transparent monitoring of performance and outcomes.** As more and more strategic authorities develop - and extend the scope of - their integrated settlements, they will both need to establish stronger corporate finance functions and to agree performance indicators in relation to their outcome agreements.
- c. **Strategic authorities should also be more publicly accountable (beyond elections).** Currently arrangements mostly consist of basic scrutiny functions, and the London Assembly, in the case of the GLA. Regional accountability needs to be better resourced, so that it is more like a regional public accounts committee, but with more direct public and community input.

5. The London system

- a. **The London system needs to adapt to keep up with new devolution opportunities and demands.** The London of today exists in very different global and national circumstances to when the GLA and Mayor were first established. The UK needs London to grow faster. Its systems of governance and delivery need to be aligned with that purpose. There are five major drivers for change, which the London system will need to respond to:
 - i. **Fair Funding formula:** which will weaken the financial base of London boroughs and put fiscal devolution questions more centre stage
 - ii. **The establishment of larger principal authorities in regions surrounding London:** and the questions raised about the need for more shared working between boroughs and potentially enhanced roles for the sub-regional partnerships
 - iii. **The 10 Year Health Plan for England:** and the implications for Integrated Care Boards, London health governance, and neighbourhood planning and provision⁷
 - iv. **The housing challenge:** where London is desperately short of new housing (especially affordable housing) and yet the capital as a whole is struggling to deliver the numbers it needs and that the national government wants to see
 - v. **Public service reform:** which, like housing and health, was not considered a major strategic issue for London as the GLA was being established, but is now fundamental including in relation to economic inactivity.

⁷ National Health Service, ['Fit for the Future: 10 Year Health Plan for England'](#), July 2025.

Introduction

FGF has long been supportive of moves to widen and deepen devolution in England, publishing the first of its Impactful Devolution reports in the summer of 2024.⁸ This proposed a framework for devolution for the new government, both to complete the process of devolution and to strengthen its ability to deliver inclusive growth across the country.

The government's December 2024 White Paper on English Devolution⁹ and the English Devolution and Community Empowerment Bill¹⁰ that flowed from it, set out such a framework, based on designating all regional authorities - both existing and those to be created in future - in a new category of 'strategic authority' (of which there are then three levels, with increasing degrees of power and autonomy: Foundational Strategic Authority (FSA), Mayoral Strategic Authority and Established Mayoral Strategic Authority (EMSA)).

The Bill aims to make these strategic authorities more formal, in contrast to the way in which regional governance has tended to develop more organically up until now, providing them with new statutory powers. With these new powers comes access to a wider range of funding, including new integrated settlements (more akin to the settlements that the Treasury agrees with Whitehall departments, as opposed to the current situation in which regional authority budgets are negotiated and agreed piecemeal). Until now the approach to devolution has been largely based around the striking of bilateral deals between national and regional government - and contingent on individual personalities and current political context, giving rise to a highly uneven picture across the country. This approach should in principle be replaced with a more structured and transparent process where regions have greater clarity about how to establish a strategic authority and then move from one level of authority to another: from FSA, through MSA, to EMSA.

But even after the White Paper and the publication of the Bill, there are still important questions to answer:

- What should be the core purpose of strategic authorities?
- What operating model and behavioural characteristics would best enable them to deliver that purpose?
- How do they build the capacity they will need?
- What should be the role of local and principal authorities in relation to strategic authorities?

⁸ Lucas and Hopkins, 'Impactful Devolution 01'.

⁹ MHCLG, English Devolution White Paper.

¹⁰ UK Parliament, [English Devolution and Community Empowerment Bill](#), introduced to the House of Commons July 2025.

- How does London fit into this new picture, given the different evolution and status of the GLA compared to other regional authorities up until now?

Fundamentally, how can all strategic authorities be given the best chance of driving the growth and reform their places so desperately need? In Part One of this report, we take a deeper look at how English devolution has evolved over the past 25 years, up to and including the current government's proposals; in Part Two we set out our findings based on a series of discussions with key figures, before in Part Three we turn to the questions of what should come next as the new landscape of strategic authorities comes into effect. In doing so, we hope to outline a set of principles that start answering the questions above, and strengthen the foundations of strategic authorities so they can deliver for their people and places.

Part One: The state of play - where we are

The last Labour government began a process of devolution to the regional level in England with the creation of the Greater London Authority (GLA) and Regional Development Agencies (RDAs) across the country, starting in 1998 (following national devolution in Scotland, Wales and Northern Ireland). The policy agenda was then reignited in the mid-2010s under Conservative-led governments, which established a series of new 'combined authorities' outside of London. Over the past decade, as new devolved institutions have been established, mayors have been elected, and powers have been shared, debate has continued around the ideal arrangements for devolution in England and where the agenda should go next.

This has included questions such as:

- Which parts of the country should have devolved powers?
- Should devolution focus on serving the purpose of economic growth in our largest cities and city regions, or should it be broader than that?
- What forms of governance and lines of democratic accountability best accompany devolved powers and funds?
- What role should devolution play in maximising the impact of public spending at place level?

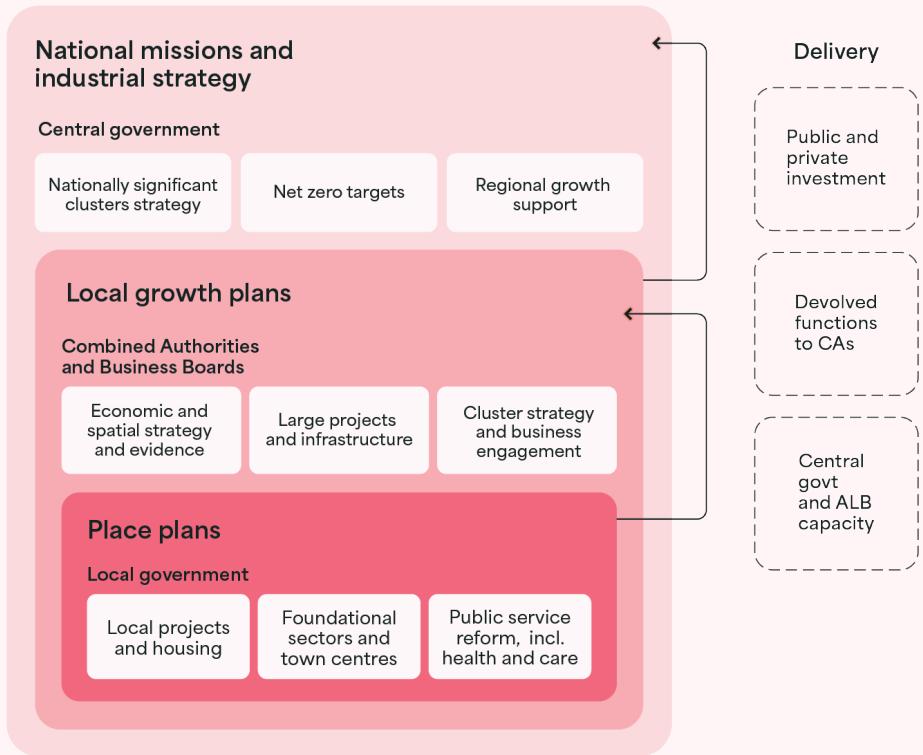
Over that same time period, an increasing evidence base has built up of what works - and what does not - when it comes to devolution. Mayors and local leaders throughout England have used their powers to improve people's lives in many practical ways. There is emerging evidence, for instance, of faster productivity growth in Greater Manchester and Liverpool City Region than in the rest of the country, of the impact of investment in integrated transport systems, and of improved outcomes in people's lives (such as on health in Greater Manchester and child poverty in the North East). Combined authorities and their mayors have then cited this proof of progress made using their existing powers to argue that the next wave of devolution should go further still.

This is something that FGF supports and which we made the case for with Metro Dynamics in our Impactful Devolution 01 report. It is also consistent with the commitments made by the Labour Party in opposition ahead of the 2024 General Election, most notably in its policy paper 'Power and Partnership'¹¹. In office, the Labour government has sought to implement the agenda outlined in that paper. The English Devolution White Paper and Bill make good on several of its commitments as well as reflecting FGF's and Metro Dynamics' recommendations from Impactful Devolution 01, including extending new statutory powers over growth and spatial planning to regional authorities, and recognising the core role of statutory Local Growth Plans in delivering inclusive growth. There are still areas where we believe the government can go further, most notably in establishing a structured partnership between national,

¹¹ Labour Party, 'Power and Partnership: Labour's Plan to Power Up Britain', March 2024.

regional and local government to drive growth and reform and then aligning funding and capacity with this new partnership (see Figure 1).

Figure 1: FGF/Metro Dynamics proposals for a structured partnership between national, regional and local government¹²



1. Different modes of devolution over 25 years

The first wave of English devolution and regional policy, carried out by the New Labour government, was a formal and structured process. The RDAs, which were rolled out by national government, and devolution to Scotland, Wales and Northern Ireland and Greater London, were all initiated through detailed legislation and developed set institutions and prescribed forms of democratic governance.

The Conservative-led second wave, from 2010 onwards, was a much more organic process, based on ground-up partnerships and initiatives and the striking of individual deals between regional and national government. The coalition government abolished the RDAs and replaced them with Local Enterprise Partnerships (LEPs), which - while they still covered all of England - were established via local voluntary agreements on differing levels of scale and geography (these were later rationalised). The LEPs managed grant programmes, and city regions made the case to national government that they should be able to go further than this. The case was made successfully, and the first devolution deal - with Greater Manchester - devolved powers and investment to a new 'combined authority' and set precedent for establishing a city region Mayor. Other city regions followed suit, each striking individual devolution deals with national government which - while all including certain

12 Lucas and Hopkins, 'Impactful Devolution 01', p.32.

core economic development powers - differed in the type and value of investment and the specific arrangements surrounding it.

These new combined authorities brought together local authorities who wanted to act in partnership to make use of new powers and investment, with an added layer of direct democratic accountability in a mayor. By the time Labour took office in 2024, there were 11 such combined authorities in England (two more have since followed in 2025).

The first of these authorities to be established were Mayoral Combined Authorities (MCAs) based around city regions - such as Greater Manchester, Liverpool, West Yorkshire and South Yorkshire. The Levelling Up and Regeneration Act 2023 then introduced a new type of authority - the Mayoral County Combined Authority (MCCA) - to allow a simpler devolution mechanism in county areas with two-tier local government. Examples of MCAs include the East Midlands, York and North Yorkshire, Greater Lincolnshire, and Hull and East Yorkshire.

The way in which the institutions of these new authorities were built around organic locally-led partnerships, to support bespoke socioeconomic priorities and with each local authority the signatory to a devolution deal with government ahead of electing a Mayor, means that there are now substantial differences between them and no two combined authorities have quite the same set of arrangements in place.

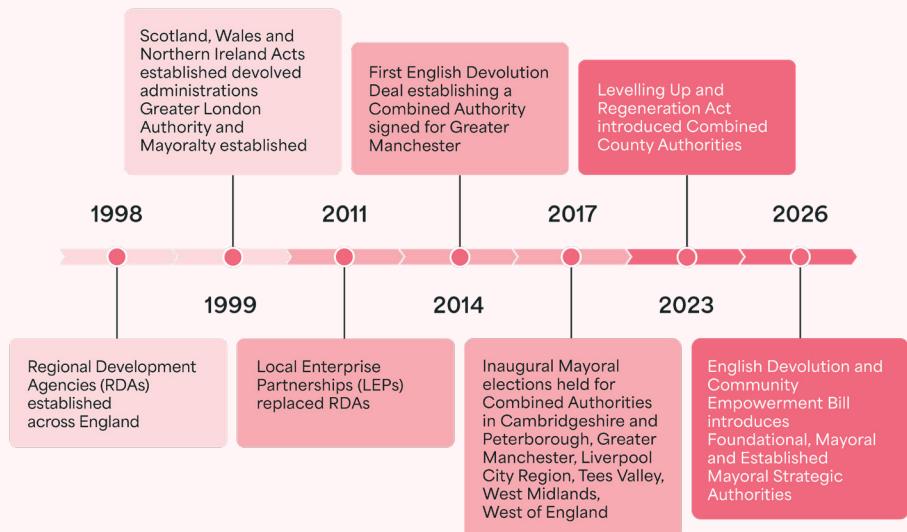
After coming to power in 2024, Keir Starmer's Labour government published first an English Devolution White Paper and then the English Devolution and Community Empowerment Bill, seeking both to address some of these issues and to advance devolution further still. The White Paper and Bill set out a new framework for devolution, which will allow a more consistent approach to, and a more formalised system of governance for, what it now calls 'strategic authorities'. They also seek to both 'deepen' devolution (by granting new statutory powers and responsibilities to areas which already have devolution deals in place) and 'widen' it (by extending the coverage of devolution deals and institutions to every part of England).

As part of this, the Bill splits strategic authorities into three levels, based on institutional maturity and governance, with the intention for a much more transparent process as to how parts of the country can move through these levels:

- i. **Foundational Strategic Authorities (FSAs):** non-mayoral strategic authorities, and some upper-tier local authorities without mayors;
- ii. **Mayoral Strategic Authorities (MSAs):** all mayoral combined authorities, mayoral combined county authorities and the Greater London Authority (GLA) will automatically begin at this tier; and
- iii. **Established Mayoral Strategic Authorities (EMSAs):** Subject to meeting a series of criteria around longevity, finance and governance, mayoral strategic authorities can request to move up to 'established' status and gain access to a multi-year integrated funding settlement and the annual right to request national government to devolve additional powers. The first combined authorities to be designated

EMSA are those with the greatest experience and capacity, and will assume their new status from 2026/27: Greater London, Greater Manchester, Liverpool City Region, the North East, South Yorkshire, the West Midlands and West Yorkshire.

Figure 2 - Devolution in England, 1998 onwards



The government is 'completing the map' of devolution in England through its initial devolution priority programme (DPP). Six areas were selected in early 2025 as part of the DPP to fast track the establishment of new mayoral strategic authorities - Cheshire and Warrington, Cumbria, Greater Essex, Hampshire and the Solent, Norfolk and Suffolk, and Sussex and Brighton. Devolution agreements are anticipated to be ratified in early 2026, with mayoral elections for Cheshire and Warrington, and Cumbria in May 2027, and in the other four areas in May 2028.

The new framework for strategic authorities requires that the area is covered by a single tier of local government, reforming arrangements established by the previous government for combined county authorities. This will mean that each local authority in a devolved agreement will act as a 'principal authority'. It requires local government reorganisation (LGR) in two-tier areas in England, and is explicitly linked to preparing for mayoral devolution. The four areas in the DPP holding mayoral elections in 2028 are currently in the process of LGR, and will move to new unitary authorities for which they will need to hold new elections.

2. The complexities of economic geography

One major explanation for the differences that exist between the current regional authorities in England - in addition to the way in which their devolution deals were struck - are their widely varying economic geographies. The institutional setup and purpose of a regional authority and its mayor, and the types and nature of the local connection they form, are highly dependent on the type of geography they represent.

The first MCAs were based on city regions, most of which have a history of economic governance collaboration, and the cultures and institutions that reflect this. Their devolved institutions and arrangements are therefore based primarily on economic models of city-based agglomeration.

By contrast, the newer MCCAs have much more complex economic geographies, including at least one city, multiple principal towns and rural areas. While the suite of powers given to MCCAs has tended to follow those given to the city region-based MCAs, the levels of funding have been less, given lower levels of population density and economic output. MCCAs are in the process of testing how this specific mix of funding arrangements and powers – across spatial development and housing, transport, business support and innovation – can support growth and productivity in their polycentric and rural economies. Many have even debated whether a term such as ‘leader’ – closer to existing county council leaders – would be more reflective of their geography than ‘mayor’.

These issues will only become more acute with the establishment of new strategic authorities via the DPP and beyond. As the government seeks to ‘complete the map’ of English devolution, this next wave of new strategic authorities will have even starker differences in economic geography from what has come before, and these diverse geographies will influence how we understand the impact of devolution on economic growth and prosperity, institutional effectiveness and capacity, and the potential of further devolved powers and investment.

3. Changing purpose, powers and capacity over time

The first combined authorities were built on existing capabilities, with decades of experience of core city and metropolitan borough economic collaboration – particularly around physical development and regeneration – and they took on the functions of existing metropolitan transport bodies. Combined authorities then brought these capabilities and strategic and delivery functions together in the expectation that they would be more than the sum of their parts. The GLA, for instance, was set up explicitly as a strategic transport and economic development institution, with significant delivery capacity.

The devolution deals of the 2010s focused on economic development powers across spatial planning and development, housing and regeneration, transport infrastructure and systems, business support and innovation, and adult skills; alongside an investment fund based on gainshare principles. This reflected their purpose in devolving powers and accountability to boost economic growth in city regions with output and productivity lagging behind Greater London and the South East.

In the current government’s framework, the policy landscape has been broadened to cover seven areas of competence – housing and strategic planning, economic development and regeneration, transport and local infrastructure, skills and employment support, environment and net zero, public safety, and health, wellbeing and public service reform. Integrated settlements provide for EMSAs devolved funding for each competence in a multi-year government department-style settlement, with some flexibility on allocating funds between competences at EMSA level, to invest in regional priority issues and places.

This lays down a template for much deeper potential devolution in the future across socioeconomic policy, which would better integrate public investment and services in places, designed around how people live.

4. Strategic authorities as 'stewards' of their regions

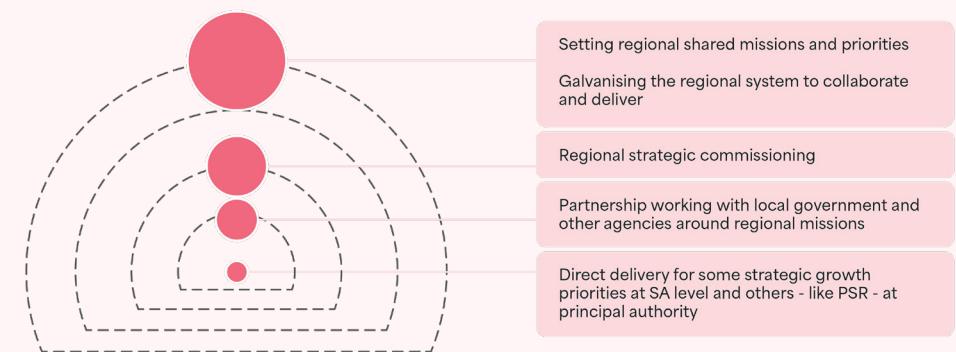
The government's devolution framework and its proposed areas of competence both set out in the Bill, firmly establish strategic authorities as stewards of regional government. Strategic authorities are therefore both institutions in their own right and play a critical role as convenors of a collaborative system; a partnership of strategic and principal authorities in that geography.

Strategic authorities are also well placed to engender a closer partnership across tiers of government - national, regional and local - in the interests of inclusive growth and public service reform. This cross-tier engagement requires greater structure and consistency and strategic authorities have the capacity (as largely policy rather than delivery focused organisations) to convene those relationships connecting national and local government.

As a steward of the regional system, strategic authorities can take the lead in galvanising the wider system behind a series of shared priorities. They foster a culture of collaboration across all sectors to tackle the complexity that lies behind those common goals. They bring coherence to service provision in key areas, for example, employment support by acting as strategic commissioner and can support local government with their statutory obligations by bringing to bear their additional capability and capacity.

We explore this further in Part Two through our conversations with contributors working in and around regional and local government and in Part Three with a set of principles for how strategic authorities can best play this stewardship role.

Figure 3 - Roles and principles for a collaborative regional and local system



Part Two: Report findings - what we heard

During May to September 2024 we spoke to almost 100 people as part of this research through a combination of in-depth interviews, workshops and group discussions. We heard from people from different professional backgrounds including senior representatives in local, regional and national government, policy experts and academics. This also included representatives of London Councils' member organisations, including chief executives and economy lead officers. We listened to participants' reflections on both the system as it stands, the characteristics of the model strategic authority and the implications for London.

In this section we set out our analysis of what we heard in the context of the creation of a new generation of strategic authorities. We identified three themes consistently from our discussions which we explore in more detail:

1. Core purpose and emerging form
2. System delivery for inclusive growth and public service reform
3. Improvement and accountability

1. Core purpose and emerging form

a. Broadening and defining a strategic authority's purpose and remit

MCAs were originally conceived as vehicles for strategic economic development across their region (this was also true of the GLA, even if it was constituted very differently from its successor authorities elsewhere in the country). Since then, their purpose has broadened - driven in part by the mayors themselves as they have grown in number and become more confident and capable of delivering on their powerful personal mandates and ambitions for their regions, and in part by the devolution policy agendas of successive national governments (although as we saw in Part One, these have not always been consistent).

The current Labour government is now committed to finishing the job the Labour Party started 25 years ago by widening devolution and 'filling out the map' to ensure every part of England is covered by a strategic authority (and, as a policy preference but not a statutory obligation, a mayor). This brings into focus the core question of what a strategic authority's overall purpose should be: something which until now has also evolved organically and is arguably not yet settled. Existing devolution deals, statutory instruments and even the new draft legislation are not explicit about this issue of core purpose. We heard from our interviews that resolving this question is of fundamental importance.

'Do we want to establish some consistency of purpose? To date strategic authorities have been economic institutions ultimately, but the White Paper and the Mayors are stretching this further... There are as many things not in the White Paper as there are - what should those things be? Should they broadly align?'

(MCA official)

'Is the driver more "Others have one so we should too...", or "We don't want to be left behind", which is less powerful than the narrative that has driven some of the more established MCAs?'

(MCA official)

'Part of the problem is how it's framed; this sense that people are being pulled and dragged along, together with LGR [local government reorganisation], creates tension. While I understand why they're doing it, it's not the best way to lay the ground for relationships.'

(Policy expert)

Interviewees argued that the extension of a strategic authority's purpose and role, particularly to include public service reform, has been an important development. For example, North of Tyne Combined Authority, established in 2018 with the first mayor elected in 2019, oriented their objectives around people and communities to broaden the focus to inclusive growth, and away from a more traditional economic strategy. This was perhaps enabled by dint of being a brand new institution and not the legacy body of a former transport authority (as was the case with many of the other original MCAs), highlighting the extent to which the original institutions from which a strategic authority was built have influenced their initial direction.

Mayors have continued to broaden their purview and are as likely to be concerned with the pressures their communities face in the present as they are with delivering the infrastructure they need for the future.

'Some of the things you want to do at that level take 10, 20, maybe 30 years before the benefits are visible - yet poverty is ruining lives now. People can't accept a languid strategic body that is passive about the "now" over the assets and infrastructure for the future.'

(MCA official)

'It's about now and the future... The governance is based on a relational model, but if you take the proposals for spatial development strategies, this could be one of those next stage developments where the relationship model doesn't deliver - because you can't get the consensus on planning homes or infrastructure through a relational model. Mayors and constituent authorities have fallen out about this sort of thing. So: can strategic authorities really deliver for government?'

(MCA official)

Our interviews also revealed a debate about how prescriptive government should be about the division of labour between the strategic authority and its constituent local authorities when it comes to strategy and delivery respectively. Some we spoke to saw this division as very clear in practice, while others identified a level of 'constructive ambiguity' in the current system and cautioned against losing that in favour of a binary dynamic.

'I want to see strategic authorities as stewards of the system rather than a binary of strategy vs delivery. The system can come together where the strategic authority is the convenor of the system.'

(Policy expert)

'They need to go back to being a strategic authority in its purist form - stop the tendency to "do" and instead to work in partnership with the people who know how to deliver and where they've got the reach.'

(Former MCA official)

The English Devolution and Community Empowerment Bill goes some way to address this shifting picture with its framework of seven areas of competence for strategic authorities:

1. Transport and local infrastructure
2. Skills and employment support
3. Housing and strategic planning
4. Economic development and regeneration
5. Environment and net zero
6. Health, wellbeing and public service reform
7. Public safety

Interviewees welcomed the inclusion of public service reform within this framework, while cautioning against any implicit assumption that strategic authorities should act as the default subnational authority.

And while this list offers a greater consistency of remit across strategic authorities, it arguably does not address the wider question of purpose. Some interviewees also questioned whether it is possible to expect all strategic authorities to be able to cover all seven elements of the framework equally, given the wide range of different economic geographies as discussed in Part One (the distinction between authorities covering ‘hub-and-spoke’ city regions compared to those with more polycentric and rural economic geographies). For instance, there are fundamental questions about the ability of strategic authorities which cover much smaller populations to deliver meaningfully on the national government’s growth mission.

‘If strategic authorities are economic institutions... there’s still an unanswered question about whether they can perform the function on growth that government is asking. Are they of the right scale? Can they all really deliver?’

(Former MCA official)

b. The specific case of London - what could be changed, and what could be applied elsewhere

London's regional governance arrangements have always been distinct from those in the rest of the country, with the GLA representing the first iteration of English city devolution with a strategic authority, led by a Mayor and the London Assembly. Unlike the mayoralties that followed, the GLA was constituted by a single piece of bespoke legislation - the Greater London Authority Act 1999¹³ - which lays down the authority's powers and functions. We therefore looked at London as a specific and different case study as part of our research, both to determine what might need to change as part of the capital's governance arrangements during this next phase of English devolution - and what lessons could be learned from London's last 25 years and applied elsewhere.

For a start, it is worth noting that while the 1999 Act establishes several formal arrangements for the governance of London, it includes no mechanisms to incorporate the involvement of the 32 individual London councils, the City of London or London Councils, the collective body of London local government.

With that context in mind, our research explored how both strategic and local government could be brought closer together in London. This surfaced the idea of a 'blended model': a single model of governance that could channel both the political leadership of a Mayor, with the benefits of more collective decision-making. This approach would consider each policy area on a spectrum between directly-exercised mayoral power and collective governance, with the specific intervention in each case depending on where strength lies in the system and which approach is likely to have the most effective impact.

'We might need a weak mayoral model or a stronger mayoral model [depending on the policy area] and export to other areas with some intent. Where it's a harder thing, you have more strong mayor powers so that you can get those things done.'

(MCA official)

Respondents argued that pursuing a more direct mayoral approach would reflect the fact that in a city of almost 10m people, there will be circumstances when London should move as one, rather than 33 individual borough-led responses that would risk duplicating resources and causing confusion across arbitrary, municipal boundaries. There are recent precedents for this manner of working - most notably the pandemic.

13 Legislation.gov.uk, [Greater London Authority Act 1999](#).

[During Covid] London decided to move together - that was a powerful moment when the coalition across London matured.'

(Policy expert)

Similarly, decisions regarding certain areas of regulation - particularly those which are politically contested, and where consistency of policy across the whole of greater London would be beneficial or even essential - could also be reserved for the Mayor given his or her direct political legitimacy. The expansion of the Ultra Low Emission Zone (ULEZ) is another obvious example here. Interviewees also cited spatial planning and private rented sector housing standards as potential examples. Equally, there were other policy areas interviewees highlighted as appropriate for more collective forms of decision-making across London. Many of the toughest challenges facing the city - including homelessness and temporary accommodation, residential children's care and health inequalities - might benefit from collaboration between the GLA and London borough councils. Yet as things stand, no formal mechanisms currently enable this in London.

2. System delivery for inclusive growth and public service reform

a. Strategic authorities need greater capacity and capability to deliver

While the role and remit of combined authorities have evolved over time, form has not kept pace with function and as a result strategic authorities often lack the capacity to deliver on their full potential. Interviewees identified concerns about capacity as a vital consideration when thinking of the next phase of evolution for strategic authorities, applying to both more established and newer authorities. With a few exceptions, and noting that newer authorities are beginning to upscale, most strategic authorities still only have very small core teams.

This is compounded by a lack of access to larger revenue budgets, which limits strategic authorities' ability to address their shortfalls in particular skills and specialisms and to develop the resourcing they need. National government's capacity funding is not enough on its own to address this.

This shortage of capacity and resources is interacting with an ambitious national government agenda, and increasingly ambitious mayors. As a result, strategic authorities are struggling to develop investable projects, for the likes of the Office for Investment, the National Wealth Fund and Homes England, or the prevention programmes required for greater public service reform.

'There isn't enough capacity to go round and that's at all levels... Local government struggles to maintain beyond statutory capacity - so how do you create that capacity? Mayoral Development Corporations would be one way, national development corporations is another.'

(Former local government official)

This gap applies across strategic authorities, whether they are well-established and born out of existing bodies or more recent and consist of brand new institutions. What's more, it is a specific kind of gap: interviewees reflected that this new, strategic tier of regional governance requires a different skillset to that dominant in national and local government.

Proper consideration should therefore be given not just to the *capacity* but the range of *capabilities* that these authorities will need to deliver against the breadth of their responsibilities. Interviewees highlighted key disparities in a range of areas, including political advice, strategy, research and economic analysis, finance, treasury and investment, spatial strategy and compulsory purchase orders and land assembly.

'When strategic authorities invest in their corporate centre, there's an anaemic circle around the Mayor. They've got comms, a bit of performance and reporting, and quite often they're bringing in from the civil service.'

(MCA official)

'What's difficult is I don't think Whitehall can do it. The skill set is different; policy officials don't have that.'

(Civil servant)

The move to give more strategic authorities multi-year integrated settlements means that they will need to consider from the off, what capabilities they will require to negotiate the design and deployment of such settlements. Early experience suggests strategic authorities would benefit from greater muscle in this area.

b. Collaboration across the system is critical

Collaboration is a vital prerequisite for an effective strategic authority. The governance arrangements of MCAs are built on the assumption of collaboration, with constituent local authorities supporting and co-operating with the combined authority on the economy in particular. However, such formal structures alone cannot deliver a culture and practice of collaboration. Combined and constituent authorities and wider partners have to work actively on strong and constructive relationships between the people within their institutions, predicated at their core on a sense of shared accountability.

'It's not enough to come up with alternative arrangements - they only work if everyone turns up. It wasn't always roses in the Greater Manchester garden - all leaders had responsibilities to make it work as a result of structured activity over and above their formal governance arrangements.'

(Policy expert)

'Really good relationships can be there and no one has difficult conversations. Or you can have really good trusted relationships - and you use that to hold to account... Default culture is to not go to the difficult conversations. You'd find that anywhere; everyone's so busy. You can get to this but you have to practise.'

(Policy expert)

Collaboration is not an end in itself - it is about achieving a bigger prize, to improve the outcomes for the people of those regions. It also takes time. The Association of Greater Manchester Authorities (AGMA) formed the foundations of their history of collaboration over three decades - long before the creation of GMCA in 2017. There is a working legacy of leaders across sectors in the region who continue to sustain those relationships as part of their place leadership. GMCA makes reference to their role not as the first among equals, but as '*one of the eleven*'¹⁴. That humility was instructive for the people we spoke to, who argued that to be effective it must be demonstrated at all levels, from political and executive leaders to practitioners on the frontline. In London, even though the GLA, London borough councils and London Councils are all separate legal entities without legal mechanisms to bring them together, they have chosen to move towards collaborative working through the London Mission Boards.

¹⁴ Greater Manchester Combined Authority, [GMCA Group Assurance Framework](#), Audit Committee, December, 2024

'The GM system is quite municipal and it's strongly politically led by the Mayor and the Leaders. They've got over the "I need to be in this photo" - and that's important not to be in competition - but there's a real interest in being in a strong partnership that benefits both.'

(Former local government official)

The English Devolution and Community Empowerment Bill recognises the importance of collaboration and includes provisions to ensure the Greater Manchester experience is the aspiration for all strategic authorities rather than an exception. The Bill includes duties to collaborate and co-operate within the combined authority, within the system and beyond. These are all positive and to be welcomed.

There are positive examples to draw on beyond England, too. In Wales, The Well-being of Future Generations Act 2015¹⁵ recognises collaborative behaviours as vital to enable collective endeavour and also aims to codify them, particularly where there is no shared history of collaboration. The Act identifies 'five ways of working' as key aspects of 'the how' to making progress against those goals - of which collaboration is one, alongside thinking long-term, prevention, innovation and involvement.

Achieving this level of co-operation in practice is a constant challenge. Individual public sector institutions have their own objectives, competing priorities and silos, different working cultures, incentives and experience. Prioritising shared goals over institutional objectives demands a change in ways of working and requires operating differently. As Audit Wales's recent analysis of the Wellbeing of Future Generations Act demonstrates, even where collaboration is codified in law, there are challenges involved in achieving these aims systematically and legislation alone cannot deliver those shifts.¹⁶

'Culture and leadership is a practice. You can't inculcate a massive group of people in a system away from ways of behaviour that have been in place for 20-30 years. You can't expect people to snap out of that and work in a different way - not least when regulation works in the way it does... It's such a huge ask to genuinely hold people to work against the grain.'

(Policy expert)

¹⁵ Legislation.gov.uk, [Well-being of Future Generations \(Wales\) Act 2015](#)

¹⁶ Audit Wales, [No Time to Lose: Lessons from Our Work under the Well-being of Future Generations Act, 2025](#)

Our discussions reflected that achieving that strength of partnership also enables a greater comfort with the sharing of political risk. The more developed and mature the relationships are at political level, the more it facilitates an ability to take collective decisions - enabling prioritisation based on the prospects for the best returns across a region.

3. Improvement and accountability

a. Learning, improvement and innovation

MCAs have had to be entrepreneurial in their evolution, building the plane at the same time as flying it. In that context they have achieved considerable success, but there are also notable gaps: in particular, there is currently no real capacity to facilitate, capture and share learning both within and between combined authorities. While legally strategic authorities are part of local government - they are subject to the same Best Value duty as local authorities¹⁷ - they are not perceived to be, and are largely not members of the Local Government Association (LGA).

This shortcoming will only become more critical as the number of strategic authorities increases and the economic geographies, footprints and political identities of mayors diversify further. The new strategic tier of subnational governance envisaged by the English Devolution and Community Empowerment Bill will require formal infrastructure to enable institutional learning and improvement.

There are, at least, some solid foundations to build on. The mayors have developed a collective sense of their own roles and a clear cohort identity within the public policy landscape, supported by Bloomberg Philanthropies¹⁸. The self-organised UK Mayors Group, currently chaired by Mayor Tracy Brabin, brings together all metro mayors and launched an Innovation Exchange in January 2025¹⁹. Meanwhile, cross-sector groups like the Growth and Reform Network (of which FGF and Metro Dynamics are partners) have been set up to provide a forum for strategic authorities, councils and Whitehall to develop innovation and share best practice on inclusive growth and public service reform.

However, significant shortcomings remain. The UK Mayors Group is ultimately an informal network with little capacity for supporting sector-wide improvement for this growing tier of government. One combined authority is currently subject to a best value notice (a formal warning issued by national government that a local or combined authority is failing its 'best value duty' to operate effectively and efficiently) and two others have lapsed notices, highlighting a pressing need for a more substantive improvement resource.²⁰

In the absence of something more formal arranged at the English level, pan-alliances of mayoralties have started to emerge. The Great North was the first,

17 Legislation.gov.uk, [Local Government Act 1999](#).

18 Bloomberg Philanthropies Announces New Program to Supercharge the Impact of UK Metro Mayors, Bloomberg Philanthropies, 9 December 2025

19 English Mayors Launch Innovation Exchange, North East Combined Authority, 16 January 2025

20 Gov.uk, [Best Value Notices for Local Authorities](#), 17 July 2025

followed by the Compact between the East and West Midlands combined authorities and the Yorkshire White Rose Agreement bringing all the Yorkshire-based mayors together. These pan-regional associations aim to facilitate collaboration around common objectives, in particular around economic growth. Such organic self-organisation - as opposed to a superstructure imposed by the centre - is positive. However, the status quo is not fit for purpose and we heard that this was a significantly underdeveloped area.

'Mayors could join up more to do the thinking together - beyond asking to be heard. They could do more together more practically... There isn't investment in the space to hold that conversation and [national] government doesn't incentivise that conversation.'

(Policy expert)

'Learning can take place across the wider system. New strategic authorities can learn faster from others. It's important to pay equal attention to the technical and adaptive challenges in setting things up.'

(MCA official)

We also heard that innovation is harder as a consequence of the lack of infrastructure for systematic learning.

'Innovation is massively missing in the current system. We've got used to being in a really reactive space, particularly given the impact of Covid, churn in prime ministers, the geopolitical context - a permanent crisis. Who's doing the step back? What does this all mean for the city in 10 years' time? Who's doing this thinking?'

(Former MCA official)

Developing new approaches, cultural values and ways of working - and embedding learning and improvement within them - will require a different leadership practice. Motivating people to work differently requires visibility and recognition. Political and organisational leaders need to model those behaviours and celebrate colleagues who mirror them. This helps to

demonstrate what it looks and feels like to work in this new way, and to promote its application across networks and connections. We heard from interviewees that investment in leadership and workforce development to build a new approach was vital, both at leadership level - to enable political and executive leaders to strengthen their collaboration practice - and on the frontline.

b. Strategic authorities will need more transparent monitoring of performance and outcomes

Interviewees were mindful that the advent of integrated settlements and the increased accountability that comes with them will necessarily change strategic authorities' engagement with national government and the public. That should mean varying existing arrangements, with some of our interviewees observing that it should require both accountability to national government and accountability within the regional system where the strategic authority is not the body directly responsible for undertaking the delivery.

It should also mean ensuring performance management is squarely focused on outcomes for communities. However, some people we spoke to cautioned that the existing centralised system of regulation - spread across multiple institutions - makes this harder, constraining and disincentivising an outcome-focused approach to delivery.

'It's inevitable that combined authorities and different variations will need to be held accountable for delivery and that with increased planning powers, spatial powers and an integrated settlement, there will be a greater expectation of delivery - some means of enabling and driving delivery. That's quite a subtle balance between driving it yourself and holding others accountable for delivery.'

(Former local government official)

c. Strategic authorities should also be more publicly accountable, beyond elections

As things stand, oversight arrangements for combined authorities mostly consist of basic overview and scrutiny functions, which draw councillors from the authority's constituent councils. The exception is the GLA, which has the London Assembly: based on a parliamentary model, with assembly members elected to scrutinise the mayoralty. Our interviewees argued that overview and scrutiny was underpowered in combined authorities and stronger in local government.

'It [scrutiny] has always been an afterthought, dating back to when combined authorities were set up when the assumption was that they would be tiny institutions. In practice, the legal framework used to establish combined authorities isn't conducive to what they do. Combined authorities have grown and the governance has always been three steps behind that complexity. It doesn't help that the [English Devolution and Community Empowerment] Bill doesn't address this yet - so it's still an afterthought, despite the fact that three combined authorities are under best value notices.'

(Policy expert)

Public accountability should be commensurate to, and keep pace with, the powers and responsibilities mayors hold. Yet interviewees we spoke to argued that this is not currently the case, highlighting public accountability structures as a particular weakness of the current system, which pose a live risk within it.

Moreover, this deficit will only increase with the extension of existing powers, new responsibilities and greater fiscal flexibility. It is therefore seen as vital that scrutiny functions be strengthened accordingly. One interviewee observed that scrutiny arrangements had not adapted to the complexity of major public-private partnerships involving strategic authorities, such as the Teesworks development.²¹ Nor, in their view, had the level of mayoral public engagement developed sufficiently.

'Mayors will say they're elected - but so are councillors, and they're subject to that very daily scrutiny and system of scrutiny. There's more work to develop on this for strategic authorities... The distance between mayors and the public is wider, which means that perhaps that this [public engagement] should be clearer. Elections every four years isn't enough.'

(Policy expert)

Exploring the reasons behind this, interviewees pointed to the lack of investment in both the resources required for a high performing scrutiny function and the necessary political leadership. Too often, woeful levels of officer resource are provided to support scrutiny and overview committees. Equally, progression for politicians is oriented far more towards executive decision-making over scrutiny as an alternative political career development

²¹ Angie Ridgwell, Quentin Baker, Richard Paver, *'Independent Review Report: South Tees Development Corporation and Teesworks Joint Venture'*, DLUHC, January 2024.

route. This problem has not just been confined to regional government: the House of Commons reforms in 2010 to increase the profile, legitimacy and remuneration of parliamentary select committee chairs sought to address a similar deficiency in the UK-wide parliamentary system²².

One interviewee highlighted the model of a 'local public accounts committee' as a possible reform to enhance mayoral devolution. This idea has been discussed for over a decade, although there is little consensus yet on what it might mean in practice in terms of constitution, membership and remit.

Regional policing accountability is a useful case in point. It has long been weak, and was made worse by the scrapping of police authorities in favour of police and crime commissioners (PCCs). The government's announcement that it will abolish PCCs and transfer their powers to those mayors who do not already hold them is welcome, and is the latest example of expanding and equalising the responsibilities mayors hold. Public awareness of the PCC roles remained low and there is both logic in taking this step and precedent in London, Greater Manchester, West Yorkshire, South Yorkshire and York and North Yorkshire. But it is not sufficient on its own: the addition of these important mayoral responsibilities will need to be properly resourced to ensure that oversight of police services does not weaken further.

Part Three: Ideal state - what we recommend

Devolution is a much-needed source of new energy and innovation within a system of UK governance that can often seem tired and dated. But it also has to pass the efficacy test, to demonstrate that greater regional and local economic and social self-determination can work in practice, and improve living standards.

This report has addressed both the what and the how questions that face strategic authorities. In this final section we draw together some conclusions from our research and engagement about how the new system of strategic authorities can deliver on their potential. We look at form, function and capacity, and outline a set of principles and findings that can help policymakers build stronger foundations for the new strategic authorities, filling the 'missing middle' in English governance. Our main findings are broken down into five sections:

1. Core purpose and emerging form
2. System delivery for growth and reform
3. Fiscal devolution for growth and reform
4. Improvement and accountability
5. London arrangements

1. Core purpose and emerging form

The first thing is to be clear about the purpose of strategic authorities, how they fit into a national system of governance, and what their *modus operandi* should be.

a. Broadening purpose, from regional economic governance to inclusive growth and public service reform

Britain is scarred by economic inequality between and within regions, and is struggling with low earnings, low growth and low productivity. Both the Prime Minister and Chancellor have repeatedly cited this context when making the case for their government's primary mission being to raise the rate of economic growth, and with it improve living standards in every part of the country.

If strategic authorities are to take a similarly mission-led approach to governance - and FGF continues to argue that the principles and behaviours that underpin mission-driven government are the right ones, whether they are branded and communicated as such or not - then they should act as the mission convenors for their region. This means being responsible not only for economic planning as they have been historically, but also for a broader

concept of inclusive growth, with prevention-based public service reform and population health lying at the intersection between the two.

The framework of seven areas of competence in the English Devolution and Community Empowerment Bill should help to provide strategic authorities with greater clarity and consistency of purpose. Within that framework they should then act as stewards of their regions, able to orient and galvanise energy behind a set of shared goals. While they should not be the default subnational authority in all cases, strategic authorities nevertheless need the ability to address the binding constraints on delivering inclusive growth in their region. These include issues around transport, housing and skills, but also child poverty, health inequality and economic inactivity.

b. A partnership with national government to drive national economic renewal

Except for the Thatcher government in the 1980s, most British governments since the war have had some form of regional economic policy. The existence of a new tier of regional strategic authorities does not remove the need for a national approach to regional policy; quite the opposite. As we proposed in 'Impactful Devolution 01',²³ there needs to be a partnership between national government and strategic authorities to drive growth, reform and economic rebalancing.

We need to rewire the connection between national and regional economic and industrial policy in the context of devolution. That means connecting national industrial, infrastructure, trade and investment, and housing strategies and their funding flows to strategic authorities, and their corresponding local plans. This should be coordinated across national government, with the process governed and delivered through the Council of Nations and Regions working together with the National Industrial Strategy Council (as FGF has previously recommended).²⁴ It should also involve pan-regional partnerships like the Great North and bespoke funding arrangements through the new integrated settlements and through individual investment agreements struck between national government and strategic authorities.

It also means strategic authorities coordinating investment and sector growth strategy at pan-regional level across major growth corridors, like the Northern Growth corridor, the Great Western Cities, OxCam Arc, where infrastructure and industrial investment can together drive wider agglomeration benefits and accelerate sector cluster opportunities linked to the modern industrial strategy.²⁵

The national government's role in making this happen in partnership with strategic authorities is critical. The arrangement needs to have both institutional form and investment clout. One way of thinking of strategic authorities is as democratic Regional Development Agencies (RDAs), with boundaries more aligned to functional economic areas. Under the last Labour Government

23 Lucas and Hopkins, 'Impactful Devolution 01'.

24 Alex Bevan, '[Impactful Devolution 03: A Toolkit for Regional Growth and Industrial Strategy](#)', The Future Governance Forum, September 2025.

25 Department for Business and Trade, [The UK's Modern Industrial Strategy](#), November 2025

ministers and departments worked closely with RDAs; the current government needs to establish a similar culture and pattern of working with the strategic authorities. The appointment of second permanent secretary (and former Leeds City Council Chief Executive) Tom Riordan as HM Treasury's Envoy for the Northern Growth Corridor is an important development²⁶, and so too is the designation of Treasury North in Darlington as the coordinator of the government's overarching economic growth mission. But these structures need to be replicated for the Midlands, and other key pan-regions. Critically they need to be connected to the centre of government in Whitehall, so that modern industrial strategy, infrastructure investment, national wealth investment and housing are all coordinated through the same process and in partnership with mayors and strategic authorities.

c. A blended model of governance and delivery for strategic authorities

The new concept of strategic authorities represents a synthesis between aspects of the original GLA Mayoral model and the first wave of combined authorities in the 2010s. As we explored in Part Two, this could be best described as a 'blended model', combining clear and specific mayoral leadership and authority with collaborative governance and delivery.

Mayors have a direct mandate and a critical role in building and maintaining public support and engagement with the work of the strategic authority. Through the strategic authority they will be able to exercise hard power on areas like spatial planning (just as the Mayor of London was able to do on ULEZ). Yet much of the strength of strategic authorities will also lie in their deployment of soft power to unlock public service reform and to convene collaborative approaches that require collective decision-making and local government delivery.

In each one of the seven areas of competence for strategic authorities outlined in the English Devolution and Community Empowerment Bill, the balance of delivery versus convening responsibility between strategic authorities and their constituent local authorities will vary. A successful blended model for strategic authorities will require a recognition that these two functions - of enabling and delivery - are equally important for each tier of the regional system.

2. System delivery for growth and reform

Strategic authorities, working with their local authority partners and national government, need to be able to deliver both inclusive growth and public service reform. If they are going to do this, they will need the right capacity and capabilities in place, alongside a way of working that can drive collaboration across their regions.

²⁶ Tevye Markson, '[DHSC second perm sec to become envoy for northern growth](#)', Civil Service World, October 2025.

a. Strategic authorities need greater capacity to deliver

As we saw in Part Two, strategic authorities often lack the capacity to deliver on their full potential. Integrated settlements will help build programme capacity, but this is still some way off for newer strategic authorities.

In that context, strategic authorities should explore opportunities to share resources more effectively across the regional system. Specialist resources, for example on compulsory purchase orders and land assembly, could be held at regional level and deployed where needed on a roving basis. Arm's length bodies and government investment agencies should put more of their commercial and project capacity into partnerships with strategic authorities.

As referenced in the English Devolution White Paper, government should introduce a high profile secondment programme. However, departments should be required to extend this programme to include all tiers of government and it should be reciprocal.

Much more could also be done to maximise the benefit of policy campuses. Where these are up and running - for example, in Sheffield, Manchester, Leeds and Darlington - this policy resource should connect more actively with place-based work in the region. The campuses should also be extended. This will require more resources to build capacity, which will ultimately have to come from greater fiscal devolution (see below).

b. Collaboration across the system is critical

Strategic authorities are built on collaboration. MCAs developed with local authority support and out of local authority economic collaboration. But as we set out in Part Two, this is not just an end in itself: the point is to achieve a bigger prize through joint working; to be greater than the sum of the parts.

The seven areas of competence for strategic authorities outlined in the English Devolution and Community Empowerment Bill will each involve collaboration in priority-setting, governance and delivery. Building capacity across regions to deliver better outcomes for local people will depend on cohort development across each tier of the system, and with local partners and community organisations, including local NHS partners with whom relationships at the regional level have historically been variable. Collaboration needs to be worked at and developed both as a system enabler and a way of strengthening civic capacity.

Collaboration is even more vital as the designation of MCAs as strategic authorities, in a tier of explicitly regional government, is happening at the same time as local government re-organisation, a continuing squeeze on local government finance, and the relentless growth of demand pressures on public services. The new arrangements need to be capable of supporting the shift to prevention, through the establishment of new neighborhood hubs for services, strategic efficiencies and better use of data. They will require a form of 'give and get' between the new principal authorities and the wider regional system led by strategic authorities. This could see more shared service approaches on planning, HR and social care recruitment, but with councils having a greater role in town and city centre regeneration, and helping neighbourhoods to

thrive through supporting them to tackle economic inactivity and anti-social behaviour.

c. Common principles for regional stewardship

In this arrangement, the strategic authorities are best placed to act as 'stewards' for their regions. Based on our research and interviews, we have established five principles for this regional stewardship role. Each principle highlights how a multi-layered system incorporating partners across all sectors can best work in concert in the interests of the region:

- 1. Setting regional missions or priorities:** Strategic authorities should be able to mobilise partners across all sectors in their region around shared missions, set collectively. The new Local Growth Plans are the first stage in this, involving setting long-term shared priorities for each region. These priorities should serve as the north star for each place.
- 2. Galvanising the regional system to deliver:** The development of long-term priorities is the first step in galvanising councils, anchor institutions and the business community to deliver on the shared and collectively set missions. Strategic authorities, as the name suggests, are there to help steer, to set the direction, and to empower partners; the real prize comes from untapping the resource, expertise, and potential of their partner organisations working together to drive inclusive prosperity for the region. Strategic authorities should use their scale to convene shared governance around the region's missions, focused on outcomes and resisting any reflex to operate as 'mini-Whitehalls' mired in unnecessary bureaucracy.
- 3. Regional strategic commissioning:** Strategic authorities can also drive reform and efficiency through strategic commissioning, either in relation to devolved functions or for shared services. They can already commission adult skills provision, and forthcoming reform to the welfare system should lead to them being able to commission employment support services as well. The logic of the 10 Year Health Plan for England is that once neighborhood prevention plans have been developed (supported by councils), then strategic authorities should take over the responsibility of commissioning health services from Integrated Care Boards (ICBs). However, it will be important that strategic authorities work more collaboratively and not paternalistically as commissioners.
- 4. Partnership working with local government and other agencies on key social and economic priorities:** Several mayors have developed social priorities on issues that are also local authority responsibilities, such as child poverty and homelessness. Partnership working led by mayors can add valuable weight and focus to these local authority statutory responsibilities: be that by focusing greater public attention on the issue, mobilising additional resources to be deployed on them, or by testing new ways of working by sandboxing innovative alternative approaches. In addition, strategic authorities can help to develop pooled expert resource that can be deployed in target areas across their regions, for example to unlock stalled housing developments.

5. **Direct delivery for some strategic growth activities at strategic authority level, and others like public service reform at principal authority level:**
There will also need to be a recognition within each region of which specific functions strategic authorities should be responsible for, and which - within the growth and reform domain - councils should be directly responsible for delivering. This will vary from one region to another and should be the subject of collective development. Broadly speaking, strategic authorities should be responsible for delivering a range of strategic services such as transport strategy, infrastructure and investment strategy, spatial planning and industrial strategy, and trade, tourism and marketing, and they should have strategic commissioning responsibility for skills, employment support, prevention and other public service reform programmes. Councils should remain responsible for delivery of a range of services directly with residents, for business support and licensing functions, and for direct delivery of public service reform programmes, alongside a greater focus on neighbourhood strategy and hub-based provision of services, working with their local voluntary and community sector partners.

3. Fiscal devolution for growth and reform

Despite the profile and name recognition that mayors now have, and the significant developments that have been made to promote devolution, England is still a very centralised country. The level of local and regional control of finances and powers is still very low compared with most other countries. To fulfil devolution's promise, mayors and strategic authorities need the tools and levers to make a real difference.

a. Strategic authorities need greater fiscal devolution if they are to achieve their full potential

There are two elements to this: revenue assignment, and investment tools and levers;

- i. Integrated settlements represent a significant development in **revenue assignment**, giving strategic authorities control over a substantial multi-year budget and potentially enabling them to reprofile programme and investment towards prevention. It is important that the settlements are extended further both in their scope and in their coverage across strategic authorities. Moreover, barriers in the form of vertical reporting requirements to Whitehall should be removed, to enable neighbourhood-based service integration. The last Labour Government started this process by beginning to account for and assess how all public money was spent on a place basis. The 2025 Budget's two references to 'place-based pilots' hints at a revival of that government's 'Total Place' programme which is very welcome.²⁷ However, this should be more than a simple reboot: it should extend the original programme to include Total Place settlements, thereby really fulfilling the spirit of integrated settlements by applying them to a much wider range of public service spending.²⁸

27 HM Treasury, [Budget 2025: Strong Foundations, Secure Future](#), November 2025.

28 John Denham and Jessica Studdert, [Place-Based Public Service Budgets: Making public money work better for communities](#), New Local and The Future Governance Forum, January 2024.

- ii. **Investment tools and levers** are also critical for strategic authorities to generate self-raised revenue, so that they can deliver their local growth and spatial investment plans. This should start with the visitor levy announced at last year's Budget²⁹, and business rate retention, together with further use of business rate supplements and land value capture financing. There is also a good case for the designation of infrastructure investment on a regional basis, similar to the French model (Versement Mobilité), in which 1% of locally levied National Insurance is hypothecated for regional infrastructure and transport investment. In London, reflecting its specific economic circumstances, there should be a deal that enables the retention of more of the proceeds of growth for investment in return for less direct national government investment.

These two aspects of fiscal devolution, linked to public service reform and inclusive economic growth, should be pursued through a process of purposeful experimentation. As we have highlighted throughout this report, strategic authorities may all have a similar designation but they are at very different stages of development from one another. Each strategic authority should be supported to develop and grow its scope and capacity, but that should not mean holding the most established ones back. The designation of Greater Manchester as a prevention demonstrator in the 10 Year Health Plan is an important step³⁰, but it should be followed by even more ambitious experimentation in areas such as welfare reform, skills and investment levers for Greater Manchester and other strategic authorities that are ready to take that on.

4. Improvement and accountability

In an era in which the UK has experienced persistently low growth, public services are under enormous financial and demand pressures. It is not surprising that there is widespread public scepticism about the efficacy of government. Every bit of the public service and governance system needs to be able to demonstrate constant improvement and to be fully accountable. That is both an opportunity and a challenge for a relatively new tier of government. Get it right and mayors can be at the forefront of rebuilding public confidence in government; get it wrong and they will just look like another failed experiment.

a. There needs to be a stronger sector-led learning and improvement system

As was clear in our findings in Part Two, MCAs have been entrepreneurial in their evolution, but they also need institutional learning and improvement support. The English Devolution and Community Empowerment Bill acknowledges this in part, creating a new power for mayors to collaborate across strategic authorities: the Great North partnership, the Midlands Compact and the White Rose agreement mentioned above are all examples of this approach starting to take shape.

29 Ibid.

30 Sarah Calkin, 'Greater Manchester gets Treasury backing to "try prevention properly"', Local Government Chronicle, October 2025.

Yet it is important to go further. Strategic authorities need a safe space for systematic learning, be that on how to negotiate integrated settlements, learning from international examples, or a greater sense of the legacy of previous regional and local policy. There could be a role for national government here - to provide space both to facilitate space for institutional learning and to enable greater connectivity between regional and national tiers. Increasingly, strategic authorities also require space to enable political leadership development for new and existing mayors, space for mayors to solve problems collectively, institutional learning as more strategic authorities are established, and leadership development for leaders of organisations across public, private and voluntary and community sectors within regional systems.

b. Strategic authorities will need more transparent monitoring of performance and outcomes

As more and more strategic authorities negotiate - and extend the scope of - their integrated financial settlements, they will not only need to establish stronger corporate finance functions but also to agree suitably ambitious and binding performance indicators in relation to their outcome agreements. This will be a big and important step.

c. Strategic authorities should also be more publicly accountable (beyond elections)

For the reasons explored in Part Two, regional accountability needs to be better resourced. The 'regional public accounts committee' model could be an interesting mechanism to bring elected officials across chambers together to oversee and scrutinise a strategic authority on behalf of its communities. Including MPs as members of the committee would mean involving all categories of elected representatives in a region directly, rather than needing to find another way to connect the committee to Westminster. Such committees would also benefit from more community input: thought should be given to how members of the public can be involved directly, alongside encouraging and promoting broader strategic authority engagement with the public. Oversight powers should match the mayor's powers and responsibilities more evenly and include the power to question other public services and private sector bodies where it is in the public interest to do so.

5. London arrangements

The modern story of regional devolution started with London. The capital has had regional government for longer than anywhere else in the country, with its own bespoke arrangements for the Mayor and Assembly set out in its own Act of Parliament in 1999. London is Britain's global city; we need it to succeed in the national interest, not just for its own residents. In the last decade or so regional government has come to be seen as critical to renewing our regional economies. Now is the right time to consider what London needs to help it respond to a new set of challenges.

a. The London system needs to adapt to keep up with new devolution opportunities and demands

London's GLA arrangements evolved from evidence published in the early 1990s, principally the 1991 report 'London: World City' by the London Planning Advisory Committee (LPAC).³¹ This observed a city of less than seven million people, noted the opportunity provided by affordable housing and observed the negative reputation of the city on the global stage. London's arrangements were, in a large part, developed by the national government to strengthen local responsibility for transport, economic development, and the capital's global position. Further competencies have been added on an ongoing basis, albeit to the same unique structure.

Clearly, the London of today exists in very different global and national circumstances, with fresh challenges, demands and opportunities. While London is still Britain's major global powerhouse, its economy has slowed significantly over the last decade or so. The twin impacts of the Financial Crash and Covid have had an outsized impact on the capital, with productivity stalling and housing affordability in crisis. Manchester, the home of the new wave of devolution, has a growth and productivity rate which now outstrips London.

The UK needs London to grow faster. As its system of governance was developed over a quarter of a century ago, in response to a different set of challenges and opportunities than it now faces, it is worth reflecting on whether there are any adaptations needed to that system for the latter half of the 2020s. London needs to be equipped to drive inclusive growth for the future, as well as playing its part in what is now a national system of regional government.

b. London needs to respond to five new challenges

London has already developed its collaborative working through the development of the London Growth Plan³² and the establishment of the London Mission Boards. The forthcoming integrated settlement will also drive more collaboration between the GLA and the London boroughs. But more evolution will be required. There are five major drivers for change, which the London system of governance will need to respond to collectively:

- i. **The Fair Funding formula:** this will weaken the financial base of London boroughs and put fiscal devolution questions more centre stage.
- ii. **The establishment of larger principal authorities in regions surrounding London:** this will raise questions about the need for more shared working between London's boroughs as well as potentially enhanced roles for its sub-regional partnerships.
- iii. **The 10 Year Health Plan for England:** this will have implications for ICBs, London health governance and neighbourhood planning and provision.

³¹ 'London: World City', London Planning Advisory Committee, November 1991.

³² Mayor of London and London Councils, 'London Growth Plan', February 2025.

- iv. **The housing challenge:** London is desperately short of new housing (especially affordable housing) and yet the capital as a whole is struggling to deliver the numbers it needs and that the national government wants.
- v. **Public service reform:** Like housing and health, this was not considered a major strategic issue for London as the GLA was being established, but is now fundamental - including in relation to economic inactivity.

In developing its response to these challenges, the London system will need to develop a set of principles to help guide its approach to the seven strategic authority functions set out in the English Devolution and Community Empowerment Bill.

