

Devolution in the North East

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Reflections on England's future

INTRODUCTION

In May, the North East Mayoral Combined Authority will elect its first metro mayor, creating one of the largest, and potentially most important, devolved authorities in England. This is taking place 20 years on from the failure of the last Labour government to get local people in the North East to agree to its plans for a new model of regional government. This time around, a modest system of devolved administration – in the North East and some other parts of England – will be in place should Labour win the upcoming general election (as current polling suggests it will). How the party understands and responds to the challenges that its predecessors failed to surmount will say much about its competence and strategic priorities in relation to the grand challenge of English devolution.

Reflecting on the long history of regional policymaking in relation to the North East, helps us to understand the factors that have made the establishment of an effective and legitimate model of government in this area so difficult. A sense of this history also alerts us to the challenges associated with extending devolution across England more generally.

A BRIEF HISTORY OF TERRITORIAL GOVERNMENT IN THE NORTH EAST

Three key factors have long shaped the North East's distinctive political culture: an entrenched pattern of economic underperformance relative to England's more affluent South East; a widely felt sense of disillusionment with the prevailing model and outcomes of the UK's parliamentary government; and a historically ingrained sense of pan-regional identity, which has long sat in tension with strong local attachments to the key cities within its jurisdiction, and rivalries between them.

The rooted and distinctive sense of identity can ultimately be traced back to the medieval Kingdom of Northumbria – itself an unusually semi-autonomous entity within a relatively centralised English polity.¹ A strong sense of affiliation to this geographical area was passed into the industrial era and maintained too by a distinctive local dialect and the relative geographical isolation of the area.²

However, over the past century, the North East's economic prospects have steadily deteriorated, so that the region is now, on many different metrics, rated as one of the poorest parts of the UK. These failings are rooted in the notable underperformance of its main cities, Newcastle and Sunderland, on metrics such as productivity, businesses per capita and wages, all of which are below the national average.³ Economic geographers often refer to the damaging impact of the poor economic

1 Jackson D (2019) *The Northumbrians: North East England and its people*, Hurst

2 For discussions, see Green A and Pollard AJ (2007) *Regional Identities in North-East England, 1300-2000*, Boydell Press; and Beal J (1999) 'Geordie nation: language and regional identity in the north-east of England', *Lore and Language*, 17. https://www.academia.edu/985827/Geordie_Nation_Language_and_regional_identity_in_the_north_east_of_England

3 Centre for Cities (2024) *Cities Outlook 2024*, Centre for Cities. <https://www.centreforcities.org/wp-content/uploads/2024/01/Cities-Outlook-2024.pdf>

performance of the UK's 'second tier' cities, and those in the North East sit at the bottom end of that category – generating remarkably few spillover benefits for those towns that sit on their edges.⁴ This economic divergence between the North East and wealthier parts of the UK has become a live political issue in recent years. Support for Brexit was marked, as 58% of the population, the third highest regional total, voted to leave the EU in 2016 and, in 2019, the Conservative party won 10 out of 29 seats in the region, a striking result in an area that, in recent decades, Labour considered a stronghold.

“the North East’s economic prospects have steadily deteriorated”

The widespread appeal of Euroscepticism in the North East, and the apparent break in the history of Labour’s political hegemony in 2019, are in part reflections of a deep sense of disenchantment with the UK’s system of centralised government and the outcomes it has generated for this region. Various polls have highlighted the profound emotional distance that exists from the politics and culture of metropolitan London, which has served to bolster the collective self-identity of the ‘Geordie Nation’ and entrench a contrarian political culture that is sceptical of grand plans that emerge from the UK centre (exemplified by the high-profile ‘metric martyrs’ campaign and the election of Hartlepool United football club’s monkey mascot as town’s mayor in 2002).⁵

It is striking that a strong sense of distinctive identity, industrial decline and a growing disillusionment with central government were also some of the key ingredients in the establishment of devolved parliaments in Scotland and Wales. But in the North East, there has been no comparable drive towards self-government. The story here is of repeated failures by the British state to establish institutions that represent the region’s political and economic interests in ways that are seen as legitimate and coherent from below.

Proposals for the establishment of a North East assembly date back as far as 1912, with the regional Labour party a long-term supporter of such a project.⁶ Central government focused on the North East as a distinct region in the interwar years, and the North East Development Board was established in 1935 – an initiative that was designed to bring various local authorities together to help develop proposals for economic growth.⁷ The existence of this body, and the various regional development organisations that were established in subsequent decades, reflected a continuous concern at Westminster about the fate and future of the North East economy.⁸ However, regional policies before and after the Second World War were developed in Whitehall without recourse to the idea of devolving power and decision-making to the region or its main cities.

4 Goodair B and Kenny M (2019) *Townscapes: The North East*, Bennett Institute for Public Policy. <https://www.bennettinstitute.cam.ac.uk/publications/townscapes-north-east>

5 Smith M (2018) ‘Where is London most and least popular?’, YouGov website, 25 June 2018. <https://yougov.co.uk/politics/articles/21050-where-london-most-and-least-popular>; Richards L and Heath A (2021) ‘Divided Britain: north and south more estranged than Scotland and England’, *The Conversation*, 18 April 2021. <https://theconversation.com/divided-britain-north-and-south-more-estranged-than-scotland-and-england-157936>; *The Economist* (1999) ‘A Geordie Nation?’, *The Economist*, 25 May 1999. <https://www.economist.com/special/1999/03/25/a-geordie-nation>

6 Lemprière M and Lowndes V (2019) ‘Why did the North East Combined Authority fail to achieve a devolution deal with the UK government?’, *Local Economy*, 34(2). <https://journals.sagepub.com/doi/pdf/10.1177/0269094219839021>; Quin J (2021) ‘The North East of England: economic and political challenges and opportunities post-Covid and post-Brexit’, The Federal Trust website, 26 February 2021. <https://fedtrust.co.uk/the-north-east-of-england-economic-and-political-challenges-and-opportunities-post-covid-and-post-brexit/#>

7 Cousins JM, Davis RL, Paddon MJ and Waton A (1974) ‘Aspects of contradiction in regional policy: the case of North-East England’, *Regional Studies*, 8(2). <https://www.tandfonline.com/doi/epdf/10.1080/09595237400185131?needAccess=true>

8 Tomaney J (2006) ‘North East England: a brief economic history’, NERIP Conference, Newcastle Upon Tyne

“The story here is of repeated failures by the British state to establish institutions that represent the region’s political and economic interests”

The next major chapter of local administration began with the establishment of the Tyne and Wear County Council (TWCC) in 1972, which aimed to coordinate the metropolitan councils of Gateshead, Newcastle Upon Tyne, North Tyneside, South Tyneside and Sunderland, and was part of a wider move to establish a suite of middle-tier governance in England’s key cities. With few policy levers available to them, these councils functioned in effect as ‘conurbation-level strategic authorities’.⁹ Throughout its short history, the TWCC was hamstrung by what many regarded as its incoherent geography and deep-seated convictions that it was skewed towards the interests of Tyneside.¹⁰ The TWCC, and its counterparts elsewhere, were abolished by the Thatcher government in 1986.

There were different attempts to establish some form of region-wide governance in the decade that followed. The Campaign for a Northern Assembly (CNA) – a grassroots, anti-Thatcher movement, which sought greater decentralisation for the area – emerged in the early 1990s and was soon followed by the more technocratic North East Constitutional Convention (NECC), which sought to make the economic case for a regional assembly.¹¹ These organisations were aligned with the new political tailwinds, as leading figures in the New Labour governments (particularly Deputy Prime Minister John Prescott) were keen proponents of devolution to the English regions. The establishment of Regional Development Agencies, business-led boards with the aim of boosting regional economies, was viewed at the time as the opening salvo of a wider regionalist drive, a project that was also influenced by EU policy in the 1990s.

The intended conclusion of this agenda was the establishment of directly elected regional assemblies. These bodies would not have been analogous to those established in Scotland and Wales and would have possessed significantly fewer responsibilities and less control over spending.¹² The idea was for popular referendums to be held to legitimate their establishment, and the North East was chosen by the government as the first place where one should be held, on the assumption that its cohesive identity and Labour orientation would guarantee success in a popular vote.¹³ These plans were spectacularly derailed as the vote was lost by 78 per cent to 22 per cent. The most credible explanations of this result reference concerns about the potential costs of the new assembly and an ingrained scepticism towards the idea of another layer of politicians being established – sentiments that were cannily mobilised by the small band of campaigners who made up the ‘North East Says No’ campaign, including a young Dominic Cummings.¹⁴

“These plans were spectacularly derailed”

9 McLean I (2018) ‘The no-men of England: Tyne & Wear County Council and the failure of the Scotland and Wales Acts 1978’, *Journal of Borderland Studies*, 33(1): 23–24. <https://doi.org/10.1080/08865655.2017.1294024>

10 Jackson D (2023) ‘The North East will rise again: Northumbria only ever thrived on its own’, UnHerd website, 5 January 2023. <https://unherd.com/2023/01/the-north-east-will-rise-again/>

11 Willett J and Giovannini A (2014) ‘The uneven path of UK devolution: top-down vs. bottom-up regionalism in England – Cornwall and the North-East compared’, *Political Studies*, 62(2). <https://doi.org/10.1111/1467-9248.12030>

12 Giovannini A (2022) ‘The evolution of devolution: assessing Labour’s legacy in England’ in Gordon M and Tucker A (eds) *The New Labour Constitution: Twenty years on*, Bloomsbury

13 Tickell A, John P and Musson S (2005) ‘The North East region referendum campaign of 2004: issues and turning points’, *Political Quarterly*, 76(4): 488–496. <https://doi.org/10.1111/j.1467-923X.2005.00711.x>

14 Kenny M (2024) *Fractured Union: Politics, sovereignty and the fight to save the UK*, Hurst

The onset of a lengthy period of Conservative-led government after 2010 meant the dismantling of Labour's regionalist agenda and the emergence of a different model of devolved governance, which focused on functional economic geographies around city-regions, and a firm belief in the merits of directly elected mayors.¹⁵ But, until now, the North East has proved stubbornly resistant to this agenda. Proposals for a North East Combined Authority (not including Tees Valley, which was granted its own body) collapsed in 2016 following disagreements between various local authorities, leading to the establishment of a North of Tyne Combined Authority (composed of Newcastle, North Tyneside and Northumberland) that did not easily cohere as either a functional economic area or a jurisdiction that related to a sense of geographical identity (although its administration has some notable achievements to its name).¹⁶

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Against this backdrop, the announcement in December 2022 of a new North East Mayoral Combined Authority (NEMCA) is striking, and a source of optimism in a region that needed the Johnson government's now-defunct levelling-up agenda more than most. Covering a population of almost 2 million people, and with an estimated annual spend in 2024/25 of £388 million, NEMCA will have significant responsibilities for transport infrastructure, skills provision and housing regeneration.¹⁷ The recent announcement that additional powers and funding will soon be passed to it, as the third 'trailblazer' authority announced by central government, reflects the hope among the governing party that this authority will quickly be seen to make a difference to the lives of its citizens.¹⁸

THE NORTH EAST AND THE FUTURE OF ENGLISH DEVOLUTION

The failure to establish a model of regional governance for the North East, and the seemingly endless churn of policies associated with this task, have both had significant consequences for the region. These factors have been apparent in relation to other areas too, and have greatly inhibited the prospects of the development of long-term strategies for economic renewal in places outside London and the South East that might have been informed by a better understanding of local conditions and needs than has been available to Whitehall. Three other lessons can also be drawn from the North East experience.

The challenge of geography

Despite the unusual sense of cultural cohesion that has long existed within the North East, demarcating its political boundaries has been a challenging and conflictual exercise. This is well illustrated by the four different bids submitted from the region during the process of creating the North East Regional Development Agency, each resting on an entirely different proposed

15 Ward M (2023) *City Deals*, House of Commons Library. <https://commonslibrary.parliament.uk/research-briefings/sn07158/>

16 Shaw K and Robinson F (2019) 'Whatever happened to the North East? Reflections on the end of regionalism in England', *Local Economy*, 33(8). <https://journals.sagepub.com/doi/10.1177/0269094218819789>; Lemprière M and Lowndes V (2019) 'Why did the North East Combined Authority fail to achieve a devolution deal with the UK government?', *Local Economy*, 34(2). <https://journals.sagepub.com/doi/10.1177/0269094219839021>

17 Myers L (2023) 'Explainer: inside the new North East devolution deal', IPPR website, 10 January 2023. <https://www.ippr.org/articles/inside-the-new-north-east-devolution-deal>; North of Tyne Combined Authority (2023) *North East Mayoral Combined Authority 2025-2029 Initial Draft Budget and Medium Term Financial Plan Proposals*, North of Tyne Combined Authority. <https://www.northofityne-ca.gov.uk/documents/north-east-mayoral-combined-authority-2025-2029-initial-draft-budget-and-medium-term-financial-plan/>

18 North East Mayoral Combined Authority (2024) *North East Mayoral Combined Authority Deeper Devolution Deal*, GOV.UK. https://assets.publishing.service.gov.uk/media/65e8341b08eef600115a5637/North_East_Deep_Development_Deal.pdf

geography.¹⁹ That such disputes are prevalent in the most coherent cultural region in England says much about how difficult it is to draw boundaries and establish jurisdictions when it comes to creating a new layer of subnational government in England.

Even if cultural or geographically rooted geographies can be established, there is no guarantee that these will map onto the functional economic spaces that recent governments have placed at the heart of their devolution agenda. Indeed, there have been vigorous debates about whether NEMCA reflects a coherent economic area, given that it covers significant swathes of rural and urban land, and contains two major urban centres – Newcastle and Sunderland.²⁰

A future government wishing to add to the current suite of combined authorities faces significant difficulties, given that much of the low-hanging fruit has been picked by previous governments – devolved governments established in Liverpool, London, Manchester and the West Midlands all make sense as broadly coherent ‘city-regions’. The difficult debates that have arisen over cultural and economic geography in the North East case may well foreshadow future arguments in places like Cheshire, Cumbria and Hampshire and the Solent, where finding anything like a cohesive geographical sense of connection and an appropriate economic geography will be immensely challenging.²¹ Indeed, it is entirely possible that the deal-based process adopted by the Conservatives, and endorsed by Labour, may result in combined authorities emerging by a process of ‘subtraction’, in which their geographical limits are determined by the formation of combined authorities in the areas surrounding them.²²

“the deal-based process ... may result in combined authorities emerging by a process of ‘subtraction’”

Moreover, while the North East’s status as the template for regional government was badly affected by the 2004 North East devolution referendum, the emergence of NEMCA may provide ballast for a return in Labour circles to the idea of region-wide governance, with authorities that cover larger and more diverse regions. Certainly, it is worth noting that the jurisdiction of the new North East body is, as one senior figure involved in the new deal puts it, closer to that of Wales than Manchester (and is very close to that of the 2004 proposal). This is an interesting model to consider in the context of ongoing debates about the merits of creating a ‘One Yorkshire’ combined authority, which would amalgamate the existing Yorkshire-based mayoral combined authorities into a political geography that is largely consistent with the Yorkshire and the Humber region (an idea on which UK Labour remains sceptical).²³ This, ironically, was the very area where Labour planned to hold the next regional government referendum had the North East one been successful.

Issues of political representation

Despite being an area that has spawned some very powerful and influential political figures, there has been a fall in recent years of the North East’s influence and profile within British politics, and this is in part a result of the absence of devolved institutions.

19 Lemprière M and Lowndes V (2019) ‘Why did the North East Combined Authority fail to achieve a devolution deal with the UK government?’, *Local Economy*, 34(2): 155. <https://journals.sagepub.com/doi/10.1177/0269094219839021>

20 Paun A (2016) ‘Devolution to the North East: will it finally happen?’, The British Academy website, 5 December 2016. <https://www.thebritishacademy.ac.uk/blog/devolution-north-east-will-it-finally-happen>; Coombes M (2023) ‘The North East devolution deal aligns political will with economic reality’, Centre for Cities blog, 20 January 2023. <https://www.centreforcities.org/blog/the-north-east-devolution-deal-aligns-political-will-with-economic-reality/>

21 Newman J and Shaw J (2023) ‘Trouble ahead for the deals-based approach to English devolution?’, Bennett Institute for Public Policy blog, 21 August 2023. <https://www.bennettinstitute.cam.ac.uk/blog/deals-based-approach-to-english-devolution/>

22 Keating M (2021) *State and Nation in the United Kingdom*, Oxford University Press: 81

23 Boycott-Owen M (2022) ‘Labour rules out “One Yorkshire” devolution deal’, *Yorkshire Post*, 6 December 2022. <https://www.yorkshirepost.co.uk/news/politics/labour-rules-out-one-yorkshire-devolution-deal-3942933>

The establishment of a new mayoralty promises to alleviate this lack of regional championship. Early evidence suggests that mayors have increased in profile over time and that the model can be conducive to the emergence of stronger regional leadership.²⁴ The North East case may well also be instructive in demonstrating how existing forms of geographical identification can act as a force multiplier for the representative capacity of mayors. Once elected in May, its new leader will not only be in charge of the powers granted by Whitehall, but will also have within their jurisdiction some fairly successful regional bodies and civil society organisations, such as Net Zero North East, North East Screen and the North East Local Enterprise Partnership.²⁵

“The establishment of a new mayoralty promises to alleviate this lack of regional championship”

Moreover, with the addition of the North East to the existing suite of English mayors, the argument for thinking about how these figures are represented within the system of parliamentary government – which has been aired by several recent reports – is notably strengthened.²⁶ The ambition should be for these figures to serve as transmission belts between central government and the areas they represent, and so the case has been made for beefing up the rather limited associational body that currently brings them together (the ‘M10’) and turning them into a louder and more regularly consulted representative voice. And as a more extensive system of coordination between the UK government and its devolved counterparts outside England has been developed, the argument for some kind of English ‘voice’ to be added to this emerging intergovernmental model grows in force.²⁷

The future of combined authorities

As has been widely observed, bodies like NEMCA are working within parameters and to priorities that are mainly determined by central government, leading some to question whether this really is devolution in any meaningful sense.²⁸ And certainly, the different models of regional administration that the UK government has attempted to introduce have reflected the ingrained desire to prosecute its objectives at a scale closer to local economies and big cities, rather than a major conversion to the idea of empowering local communities and their leaders.²⁹

But, like parties in opposition before them, Labour under Keir Starmer has indicated that this time things will be different and that it is time to move power, in a meaningful way, out of Whitehall. Whether such rhetoric will survive contact with political reality, especially given the inherent challenges of delivering decentralisation in such a centralised system, remains to be seen. And further

24 Newman J and Kenny M (2023) *Devolution English Government*, Bennett Institute for Public Policy and Institute for Government. <https://www.bennettinstitute.cam.ac.uk/publications/devolving-english-government>; Swift R (2022) ‘Don’t forget the “local” in local democracy: the 2022 elections and attitudes to democracy and governance in the north of England’, LSE British Politics and Policy blog, 3 May 2022. <https://blogs.lse.ac.uk/politicsandpolicy/local-elections-2022/>

25 Giovannini A and Johns M (2021) ‘Why is a devolution framework needed to “level up”, and what should it look like?’, IPPR website, 22 December 2021. <https://www.ippr.org/articles/why-is-a-devolution-framework-needed-to-level-up-and-what-should-it-look-like>

26 Commission on the UK’s Future (2022) *A New Britain: Renewing our democracy and rebuilding our economy*, Labour Party. <https://labour.org.uk/wp-content/uploads/2022/12/Commission-on-the-UKs-Future.pdf>; Newman J and Kenny M (2023) *Devolution English Government*, Bennett Institute for Public Policy and Institute for Government. <https://www.bennettinstitute.cam.ac.uk/publications/devolving-english-government>

27 Denham J (2023) ‘St George’s Day: Labour can’t “take back control” without devolving English government’, LabourList website, 23 April 2023. <https://labourlist.org/2023/04/st-georges-day-england-english-devolution-labour/>

28 Hambleton R (2017) ‘The super-centralisation of the English state – why we need to move beyond the devolution deception’, *Local Economy*, 32(1). <https://journals.sagepub.com/doi/10.1177/0269094216686296>

29 Giovannini A (2022) ‘The evolution of devolution: assessing Labour’s legacy in England’ in Gordon M and Tucker A (eds) *The New Labour Constitution: Twenty years on*, Bloomsbury

constraints will arise because policy towards English devolution ambitions is bound to be deeply affected by the financial pressures currently facing local councils. All of NEMCA’s constituent local authorities are predicting massive funding shortfalls, and there is some telling evidence that local councils cannot effectively deploy funding that they have received from levelling-up funds, because of significant capacity constraints.³⁰ Establishing successful devolved authorities will be impossible without tackling the crumbling edifice of English local government.

“Establishing successful devolved authorities will be impossible without tackling the crumbling edifice of English local government”

More generally, there are real risks in attempting to establish devolved authorities without adequately resourcing them. One recent international study highlights the dysfunctions, in terms of both the quality of public policy and its outcomes for local people, that arise when governments create underfunded lower tiers of government, which lack the resources and capacities to deliver on the mandates they are given.³¹ Labour needs to ensure that this does not become the fate of NEMCA and the other fledgling authorities it may inherit. This means prioritising up-front investment, establishing more flexible funding mechanisms and making a commitment to support and fund the development of relevant capabilities. In a region in which profound scepticism towards central government is deep-seated, NEMCA cannot become the latest version of a long line of regional bodies without the powers or legitimacy to be able to meaningfully effect political change.

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30 Holland D (2023) ‘North East councils facing deficit of nearly £200m – as nationwide £5bn shortfall threatens basic services’, *ChronicleLive*, 21 August 2023. <https://www.chroniclive.co.uk/news/north-east-news/north-east-councils-budget-deficit-27553164>; Forbes C, Liddle J and Shutt J (2022) *Levelling-up in the North East Region: What has been achieved in the last three years?*, Northumbria University Business School. https://northumbria-cdn.azureedge.net/-/media/news_duplicate/documents/pdf/working-paper-final.pdf?modified=20220927105130

31 Rodriguez-Pose A and Vidar-Bover M (2022) ‘Unfunded mandates and the economic impact of decentralisation: when finance does not follow function’, *Political Studies*. <https://journals.sagepub.com/doi/10.1177/00323217221136666>