

FOR OR AGAINST?

THE CASE FOR FURTHER DEVOLUTION



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EXECUTIVE SUMMARY

Debates about devolution have been a central question in UK politics for over 200 years. Under the Millenium Settlement in 1998, the Labour government began devolving powers to Scotland, Wales and Northern Ireland, but with the exception of Greater London, England was largely left out of this process. Over the last decade, however, there have been multiple initiatives to decentralise powers to local layers of government in England through “devolution deals” negotiated between local leaders and central government. These have had a transformational effect, allowing decision makers to use local knowledge to tailor policy, spending priorities and innovation aimed at solving local problems to drive growth and prosperity.

Nonetheless, the UK remains one of the most administratively and politically centralised countries in Europe, with consistently underperforming large cities outside of London and the South East. With addressing regional economic imbalances, boosting political trust, and overcoming parliamentary gridlock all making their way up the political agenda once more, there appears to be cross-party support for decentralising decision-making. This means that devolution is likely to be an important part in the manifestos of all political parties in any upcoming election.

Make UK's latest survey of manufacturers shows that over 70% of businesses feel that local decision-making is either very important or quite important to their future success, but the majority (61.3%) feel that the devolution process should be more structured to deliver to its full potential.

Nearly half of manufacturers (47%) told us devolution was important to the economy and 35% said their company had benefited from improved training and skills as a result of devolution. A further 20% said they had benefited from improved physical infrastructure in a devolution area, 20% had been helped by exporting information and

guidance and 12% said transport was improved for their business as a result of devolved decision-making.

Going forward, manufacturers want to see a more structured devolution process across the whole of England, with new legislation pulling together existing local authority and devolution legislation into one powerful devolution act. This would help to make sure that individual bodies, currently working across multiple structures and regimes, work better together.

Businesses also want to see a greater emphasis on local infrastructure to help their firms perform better. Nearly a quarter of companies (21%) thought that longer-term devolution plans would deliver more effective results, while 29.7% said that the area of skills should be further devolved to local decision makers to ensure the right skills and training were being prioritised locally.

Fiscal devolution is also on the agenda for manufacturers, but there is an increased desire for the ability to fund bespoke initiatives without the need for central government funding or approval.



This report sets out a series of recommendations to not only create parity across all regions, but also set the future direction of devolution policy, so that there is a clear long term plan to unlock regional success. This report recommends policies to unlock funding for infrastructure projects and to broker agreements between large manufacturing businesses and Further Education colleges to help tackle the talent pipeline for sectors like manufacturing.

However, there is still some awareness work of devolution and its benefits to be done within the manufacturing community. When questioned, some 46% of manufacturers were unsure if their companies were located in an area with a devolution deal. A lack of knowledge will undoubtedly mean manufacturers have been missing out on schemes, initiatives and possible funding for new projects and business growth. It will be the work of local and central government to raise the profile of the devolved deals and the benefits they can unlock.

RECOMMENDATIONS

1. Commit to a uniform devolution model, so that there is consistency across all the existing devolved English regions, to improve stakeholder understanding and engagement.
2. Agree to complete the devolution map no later than 2035, underpinned by future legislation and a framework of support from existing devolved regions to underdeveloped areas.
3. Give existing devolved regions of England powers to hold local ballot measures to fund regional projects that will help the local economy, including infrastructure or skills projects.
4. Use Local Skills Improvement Plans (LSIPs) to broker deals between Further Education Colleges and major manufacturers to allow experienced company staff to be released for short periods of time to tutor students in manufacturing Level 2 and 3 courses, to help the manufacturing teacher crisis in FE colleges.
5. Track specific devolution measures, so that regions and central Government can cross-pollinate learnings from each other, allowing other regions to duplicate the successes of different devolution measures.
6. Commit to a green paper on the cost and benefits of devolving tax collecting powers in the UK.

LOST IN TRANSLATION? DECIPHERING DEVOLUTION FOR THE PUBLIC

AWARENESS OF ENGLISH DEVOLUTION

The system of devolved power in English regions is a patchwork-like structure. This is partly because some regions already have well-defined governance structures and knowledge that they can use, and partly due to some local leaders having a powerful and vocal voice on what would benefit their region. While Greater Manchester and the West Midlands are often considered trailblazers for securing mature deals, there are many other areas that are only just starting to consider what devolution may look like for them. These regions stand far behind areas like the West Midlands and Greater Manchester.

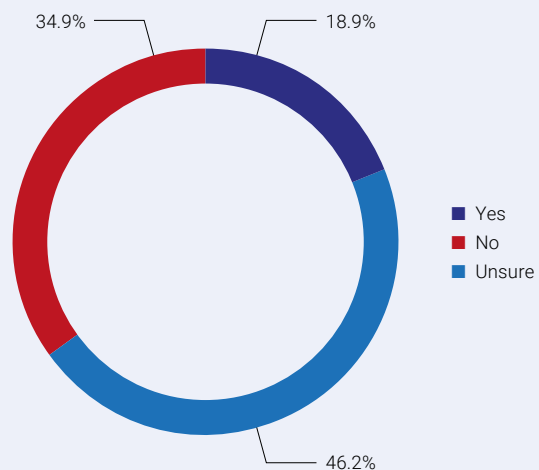
This patchwork-like policy has affected public awareness. Make UK's research has found that almost half (46%) of manufacturing businesses are unsure if their business is located in an area that has a devolution deal, with 19% stating they were in a devolution area, and 35% believing they were not.

This contrasts with calculations that devolution currently covers 41% of England's population, 49% of its economic output, and 14% of the land area. If the nine new deals are implemented as planned, this will increase to 57%, 60%, and 42% respectively, meaning the majority of England's population will be covered by a devolution deal.¹

In the future, this means that almost half (46%) of manufacturing businesses are likely to be located in an area that has a devolution deal but may remain unaware.

Why is this important? We need our business leaders to be aware of local powers, funding and leadership, so they can utilise the power structures and shape local policy decisions.

Chart 1: Manufacturing firms who report they are part of a devolution settlement



Source: Devolution Survey 2024, Make UK

¹Calculation of devolution deals covering population [English devolution | Institute for Government](#)

WHAT'S THE DEAL WITH DEVOLUTION?

Over recent years, there has been a growing perception amongst many people in England that the UK Parliament in London is out of touch with the needs and priorities of different regions. As a result, there has been a call for greater devolution of powers to the regions, which would enable more localised decision-making on critical issues such as transport, housing, and education.

This has resulted in a patchwork-like system of devolution deals, where some regions already had well-defined governance structures so powerful, vocal, local leaders landed more

developed deals, and other regions, who have only just started to consider what devolution may look like for them, stand far behind areas like the West Midlands and Greater Manchester.

TYPES OF DEVOLUTION IN ENGLAND

Within England, there are three different types of devolution:



Mayoral Devolution

Mayoral Devolution is one type of devolution that allows cities and regions to choose to have a directly elected mayor who has some control over areas such as transport, policing, and economic development. The mayor is able to make strategic decisions and set priorities for the area and is held accountable to the public through regular elections. The aim is to provide more effective and efficient local leadership, while also giving the public a greater say in how their cities and regions are run. Examples of cities that have adopted this system include Greater Manchester, West Midlands and London.



Combined Authorities

Another type of devolution is Combined Authorities. This involves groups of local councils coming together to form a combined authority, with or without a mayor. This allows them to negotiate for more significant powers and funding from central government. The aim is to promote collaboration and joint working between councils, and to provide a stronger voice for the region when negotiating with the national government. There are ten Combined Authorities in England, including Greater Manchester, West Yorkshire, and the West of England.



City Deals

City Deals are another form of devolution, aimed at giving cities more control over their budgets and decision-making in exchange for meeting specific targets. This involves cities negotiating with central government to secure funding and/or greater powers over areas such as housing, transport, and employment. The aim is to provide more tailored and responsive solutions to local challenges, while also ensuring that cities are accountable for delivering results. Examples of cities that have secured City Deals include Bristol, Leeds, and Sheffield.

DEVOLUTION MAP, AS OF 2024:

Mayoral Devolution

- Greater Manchester
- West Midlands
- East Midlands
- Liverpool City Region
- West Yorkshire
- South Yorkshire
- Tees Valley
- Cambridgeshire and Peterborough
- West of England
- North East
- York and North Yorkshire
- Suffolk, Norfolk, Greater Lincolnshire, and Hull and East Yorkshire (2025)

Non-mayoral devolution deals that will go live in 2025

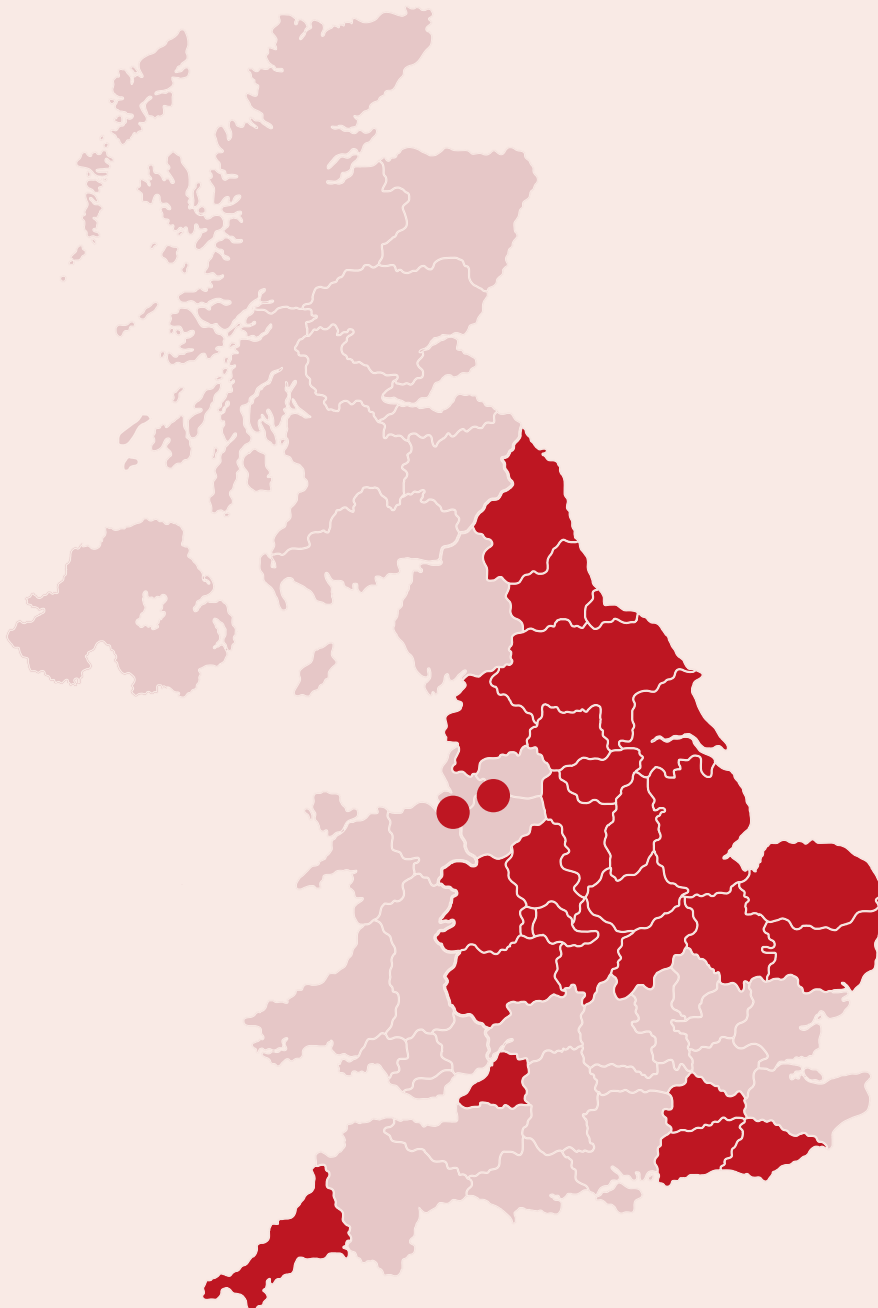
- Lancashire
- Cornwall

Combined Authorities with Mayors

- Greater Manchester
- West Midlands
- East Midlands
- Liverpool City Region
- West Yorkshire
- South Yorkshire
- Cambridgeshire and Peterborough
- Tees Valley
- West of England
- York and North Yorkshire
- North East

Combined Authorities without Mayors

- Sussex: Adur and Worthing Councils joined forces to form a combined authority
- Surrey: Surrey County Council and several district councils established a combined authority
- Northumberland: This combined authority doesn't include Newcastle upon Tyne, which is a separate local authority



CITY DEALS

First wave - 2012

- Greater Birmingham
- Bristol City Region
- Leeds City Region
- Liverpool City Region
- Greater Manchester
- Newcastle City Region
- Nottingham City Region
- Sheffield City Region

Second wave - 2014

- Black Country
- Bournemouth and Poole
- Greater Brighton
- Coventry and Warwickshire
- Greater Cambridge
- Greater Norwich
- Hull and the Humber
- Ipswich
- Leicester and Leicestershire
- Milton Keynes
- Oxford and Oxfordshire
- Plymouth
- Portsmouth and Southampton
- Preston, South Ribble and Lancashire
- Southend
- Stoke and Staffordshire
- Sunderland and the North-East
- Swindon and Wiltshire
- Stoke and Staffordshire
- Tees Valley
- Thames Valley Berkshire

City Deals in Scotland

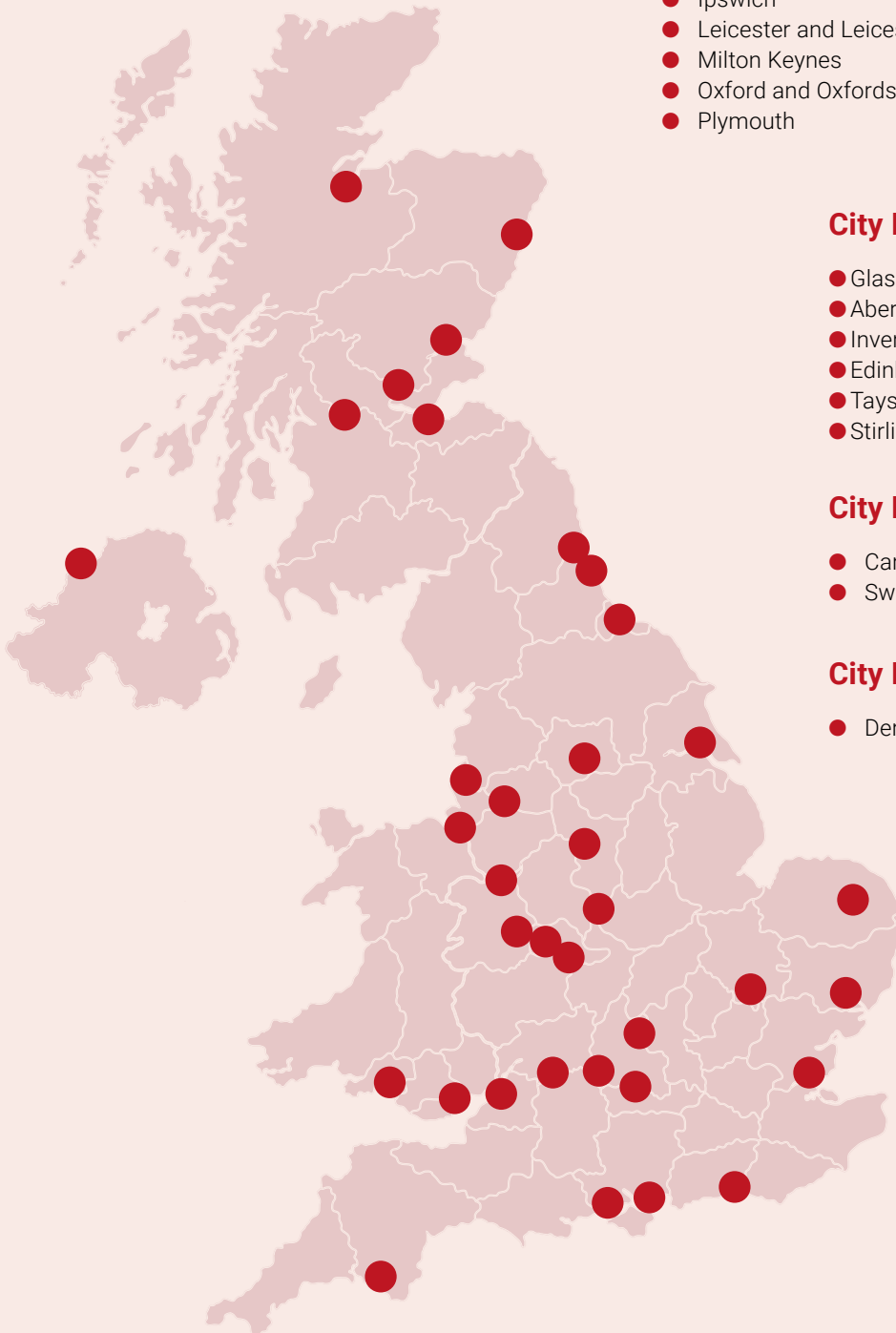
- Glasgow
- Aberdeen City Region
- Inverness and Highland City Region
- Edinburgh and South-East Scotland
- Tayside
- Stirling

City Deals in Wales

- Cardiff Capital Region
- Swansea Bay City Region

City Deals in Northern Ireland

- Derry and Strabane City Deal



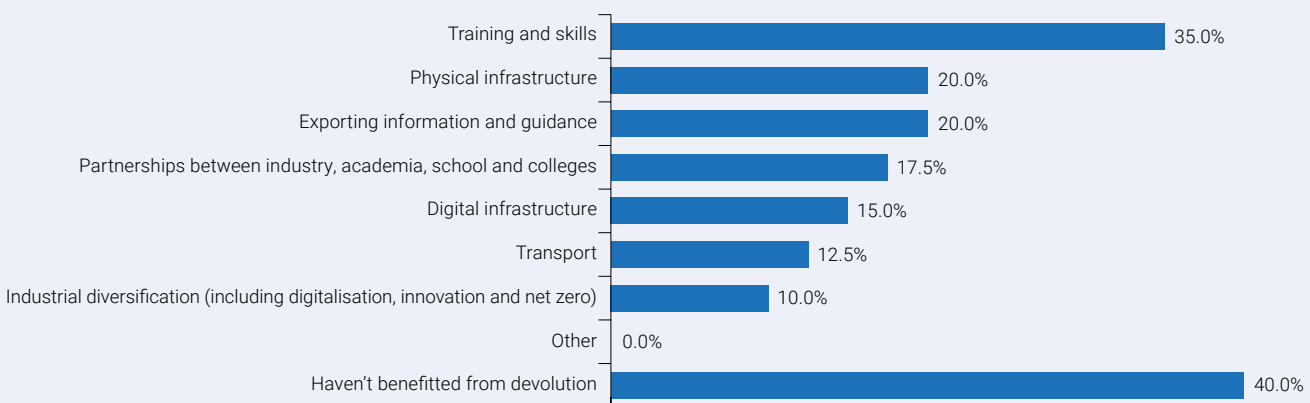
HOW DEVOLUTION CAN IMPROVE REGIONAL ECONOMIC OUTCOMES

Devolution has the potential to bring numerous benefits to English regions, both socially and economically. If executed well, it has the potential to lead to more effective policies, greater public engagement, and more efficient and cost-effective solutions. By empowering regions to tailor policies to their unique challenges and strengths, devolution can help create a more balanced and equitable distribution of wealth and prosperity across England.

Make UK has found that nearly half (47%) of manufacturing businesses felt that devolution was important for the economy. When breaking this down further, 35% reported that they have

benefited from devolved training and skills policies, with 20% benefiting from physical infrastructure and exporting guidance, respectively.

Chart 2: Areas that businesses have benefited from in terms of devolution funds or local decision-making



Source: Devolution Survey 2024, Make UK

TAILORED POLICIES AND INVESTMENT

Devolution allows for policies that directly address the unique economic and social challenges of specific regions. Coastal regions may prioritise investing in renewable energy and tourism infrastructure, while large industrial cities could focus on skills training and attracting tech companies. This localised approach can lead to more effective and impactful policies.

Empowered local regions can experiment with different solutions and approaches. This experimentation could lead to innovative policies that improve social and economic

outcomes, potentially serving as models for other regions or even the national government. This can help in improving the overall economic and social conditions of England.

Regions with more control over their economic development strategies can become more attractive to businesses and investors. Devolved authorities can create targeted incentives and improve infrastructure specific to their region's strengths, boosting economic activity and job creation. This could create more job opportunities and help increase economic growth.

WEST MIDLANDS GROWTH COMPANY

The West Midlands, under former mayor Andy Street, used its devolved status to attract domestic and foreign direct investment through its public–private partnership, West Midlands Growth Company. The Company’s approach is to try and showcase it’s region’s workforce in manufacturing and advanced research facilities for life sciences companies.

The Company participates in international trade missions and conferences promoting the West Midlands as an attractive investment destination for companies worldwide. It offers targeted support to businesses at different stages of growth, as well as start-up assistance with incubator programs, mentoring services, and access to funding sources for fledgling businesses.

At its core, the Company has created a ‘West Midlands’ brand, which has been aided by its devolved status. If it is successful in attracting outside investment, it will have a critical role in driving economic development throughout the region through tailored strategies, global reach, innovation and infrastructure development.

GREATER MANCHESTER’S BEE NETWORK

The Greater Manchester Bee Network, led by Mayor Andy Burnham, is a public transport infrastructure project that aims to transform public transportation across the region. Launched in 2023, it seeks to create a more integrated, efficient, and user-friendly network of buses, trams, cycling, and walking infrastructure.

The idea behind the Bee Network is to make it easier and more convenient to travel around Greater Manchester by seamlessly connecting different modes of transport. This includes improved bus frequency, better interchange facilities, and synchronised timetables.

Many cities in the UK struggle with transport infrastructure, despite this being a fundamental part of regional economic development. Cities and urban areas, particularly in the North, need better access to jobs, education, and leisure facilities, in order to boost economic activity across the region.

Funding from central Government, through its ‘trailblazer’ deeper devolution deal, has meant Greater Manchester can support:

- A bus network with more frequent services on high-demand routes and an integrated ticketing system for all modes of transport.
- Investment in bus infrastructure, such as bus stops, shelters, and interchange facilities.
- Cycling infrastructure with new cycle lanes and secure bike parking facilities.
- Technology to improve passenger experience.

The Bee Network is still in its early stages, though it has seen some positive results including increased bus patronage in some areas and improved journey times on certain routes. The largest challenge for the project to overcome is securing long-term funding for sustained network improvements.

WEST YORKSHIRE'S FOCUS ON MANUFACTURING

As part of West Yorkshire's 15-year strategic plan led by Mayor Tracy Brabin, there is a commitment to accelerate the development and delivery of high-quality employment floorspace in the advanced and innovative manufacturing sector through Enterprise Zones.

Using devolved funding, the Combined Authority is building high-standard premises for expanding or new businesses that are part of the manufacturing sector. The new Enterprise Zones offer incentives for firms to relocate to previously unused or underutilised sites, and aim to capitalise on existing concentrations of manufacturing businesses within West Yorkshire.

By covering 10 different areas across West Yorkshire, strategically located to maximise the value of the M62 Corridor, Enterprise Zones are designed to facilitate access to a wide pool of skilled workers.

Significantly, the Combined Authority expressed enthusiasm to have a deep public-private collaboration on these sites, particularly those that present difficulties in profitability. Jessica McNeill, now Interim Head of Assets for the West Yorkshire Combined Authority, stated that for sites where the return to the developer wouldn't justify the investment, public sector intervention would be considered following a comprehensive evaluation.

As it stands, companies moving to the Enterprise Zone will benefit from:

- A five year reduced business rate (worth up to £275,000), or;
- Enhanced capital allowance tax relief of qualifying plant and machinery.
- Addition grants through the Leeds City Region Business Growth Programme.

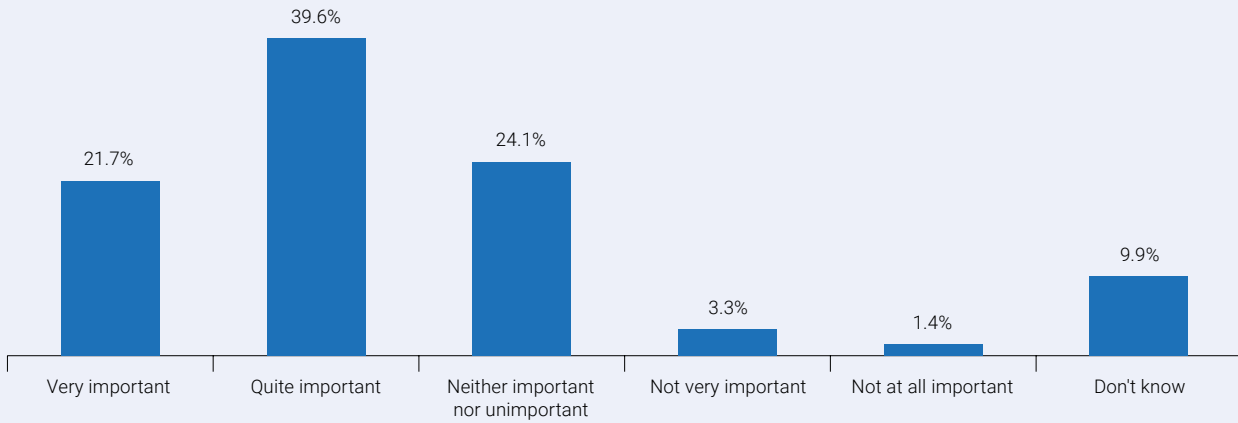
RECOMMENDATION:

Commit to a uniform devolution model, so that there is consistency across all the existing devolved English regions, to improve stakeholder understanding and engagement.

RECOMMENDATION:

Agree to complete the devolution map no later than 2035, underpinned by future legislation and a framework of support from existing devolved regions to underdeveloped areas.

Chart 3: Most manufacturers want more structured devolution process across England



Source: Devolution Survey 2024, Make UK

The elephant in the room for English devolution is that the current model is personality-driven, predicated on having a strong, vocal leader, who consistently advocates and lobbies Westminster for their region. This means that areas which are not in this position naturally get left behind.

Make UK recommends a more structured and uniformed model of future devolution, with clear requirements and tests, and a coherent plan for how to 'complete' the devolution map, so no region is left behind. Business support programmes for manufacturing businesses have been caught up in the patchwork-like structures and this can mean programmes are delivered through a sliding scale of small district councils, to medium size County Councils, all the way to large, regional, devolved areas. This has resulted in a complicated and fragmented business support landscape for manufacturing businesses, particularly SMEs, to navigate. We hear time and time again that SMEs struggle to break through the noise and understand what support is available to them. A unified,

sensible approach to devolution should take much of the fragmentation out of the business support landscape.

61%
OF MANUFACTURERS
WOULD LIKE THERE TO BE
A MORE UNIFORM
DEVOLUTION MODEL
ACROSS THE COUNTRY

To sit alongside this, there will need to be new legislation that pulls together existing local authority and devolution legislation into one forward thinking devolution Act.



A WAY TO DELIVER FISCAL DEVOLUTION WITHOUT TAKING MONEY FROM HM TREASURY

RECOMMENDATION:

Give existing devolved regions of England powers to hold local ballot measures to fund regional projects that will help the local economy, including infrastructure or skills projects

Often, the direct criticism of economic and tax devolution is that it is inherently complicated and contentious. There is a limited amount of tax revenue, all held by HM Treasury, which would need to be redivided and redistributed among the regions. In essence, this would need an English regional version of the Barnett formula to be operational. It would also mean regions would continue to be reliant on central government largesse for their local funding.

One way around this could be to implement a specific type of ballot measure that exists in many states in the US: bond referendums. Ballot measures are a democratic tool that many states adopted during the Progressive Era, allowing voters to pass their laws in a local government area. Tax and spend related ballot measures are called bond referendums.

A bond referendum is a direct vote where the public in a given jurisdiction can determine whether a government entity, typically local or state level, can borrow money via bonds or levy a local tax to fund specific local projects or initiatives. In the US, Bond referendums serve as vital mechanisms for communities to secure funds for bespoke projects and community initiatives.

A local authority puts forward a case to its constituents and those local people decide by referendum whether they want their community to pay for the new project. If the referendum passes, every relevant taxpayer in the jurisdiction pays the new tax. This gives regions local democratic control and allows them to initiate

ideas they want for their local area without needing to convince the national government or exchequer to part with additional funds. In this way, ballot measures overcome the bureaucratic blockages between local and national levels of government which sometimes hinder regional growth and stifle local initiatives.

For example, Greater Manchester could invest in its local transport network without needing Westminster to sign-off and supply the cash. The Mayor of Greater Manchester could acquire the power to raise tax revenue to fund the investment without needing any major alterations to the UK tax and government system. This would alleviate one of the biggest issues with the Bee Network – a lack of long term investment.

This approach decentralises decisions and allows local voters to get what they want without stepping on the toes of the Westminster government or causing tensions or delays that can undermine support for national policymakers. The cost of delivering regional referenda may be a barrier in some cases, especially given the cuts made to local government funding by the Westminster government in recent years. However, holding referenda on the same day as local or general election ballots is one way this possible challenge could be overcome.

Significantly, by helping local communities, ballot measures can also help restore faith in our democratic institutions by shifting responsibility, altering perceptions of a 'London-centric bias' in government funding and decision-making.

BENEFITS IF DEVOLUTION IS EXECUTED WELL

ENHANCE LOCAL DEMOCRACY

- Decentralises decision-making, bringing it closer to the citizen
- Increases public participation in the political process
- Develops stronger voter engagement and affinity to decisions impacting their community
- Improves trust in democracy
- Increases accountability

ADDRESSES REGIONAL INEQUALITIES

- Ensures regions can craft bespoke solutions tailored to local circumstances
- Helps to tackle regional inequalities
- Allows for targeted interventions to meet local needs
- Fosters social mobility and economic growth

INCREASES NATIONAL EFFICIENCY

- Leverages local knowledge, experience and understanding
- Provides more efficient and cost-effective solutions compared to a "one-size-fits-all" national approach
- Offers greater policy flexibility and innovation
- Provides better outcomes for local people



HOW DEVOLUTION CAN LEAD TO BETTER ECONOMIC OUTCOMES FOR THE INDIVIDUAL

In England, the devolution of skills policy and funding involves a partial transfer of responsibility from the central government to local authorities. This transfer was initiated in 2015 when a series of devolution deals were negotiated between the government and local areas. One of the most significant aspects of these deals was the transfer of the Adult Education Budget (AEB) and the Apprenticeship Grant for Employers to mayoral combined authorities.

The devolution of skills policy and funding is intended to provide local areas with greater control over how they train and develop their workforce. By having more control, local authorities can tailor their skills policies and funding to their specific needs, ensuring that the skills training provided is appropriate and meets the requirements of local employers. This approach is considered a more effective way of improving productivity and economic growth compared to a one-size-fits-all approach dictated by central government.

In addition to providing more control to local areas, the devolution of skills policy and funding is also expected to encourage greater collaboration between local authorities, employers, and training providers. This collaboration can lead to more effective and efficient use of resources and provide opportunities for employers to influence the training and skills development their employees receive.

One of the primary goals of devolution is to reduce skills shortages by tailoring programs to the specific needs of local businesses. This approach could help address skills gaps in high-demand sectors, which, in turn, could provide significant economic benefits for the devolved regions. Although evidence is currently scant, the view is that it could lead to a more skilled workforce, which has the potential to increase productivity and economic growth.

However, there are some challenges to consider with devolution. Primarily, it could be the case that some regions struggle to develop effective skills programs without sufficient resources or

expertise. Additionally, the patchwork of different approaches across England has the risk of creating confusion for employers and learners. Therefore, ensuring smooth collaboration between devolved and national skills initiatives remains crucial.

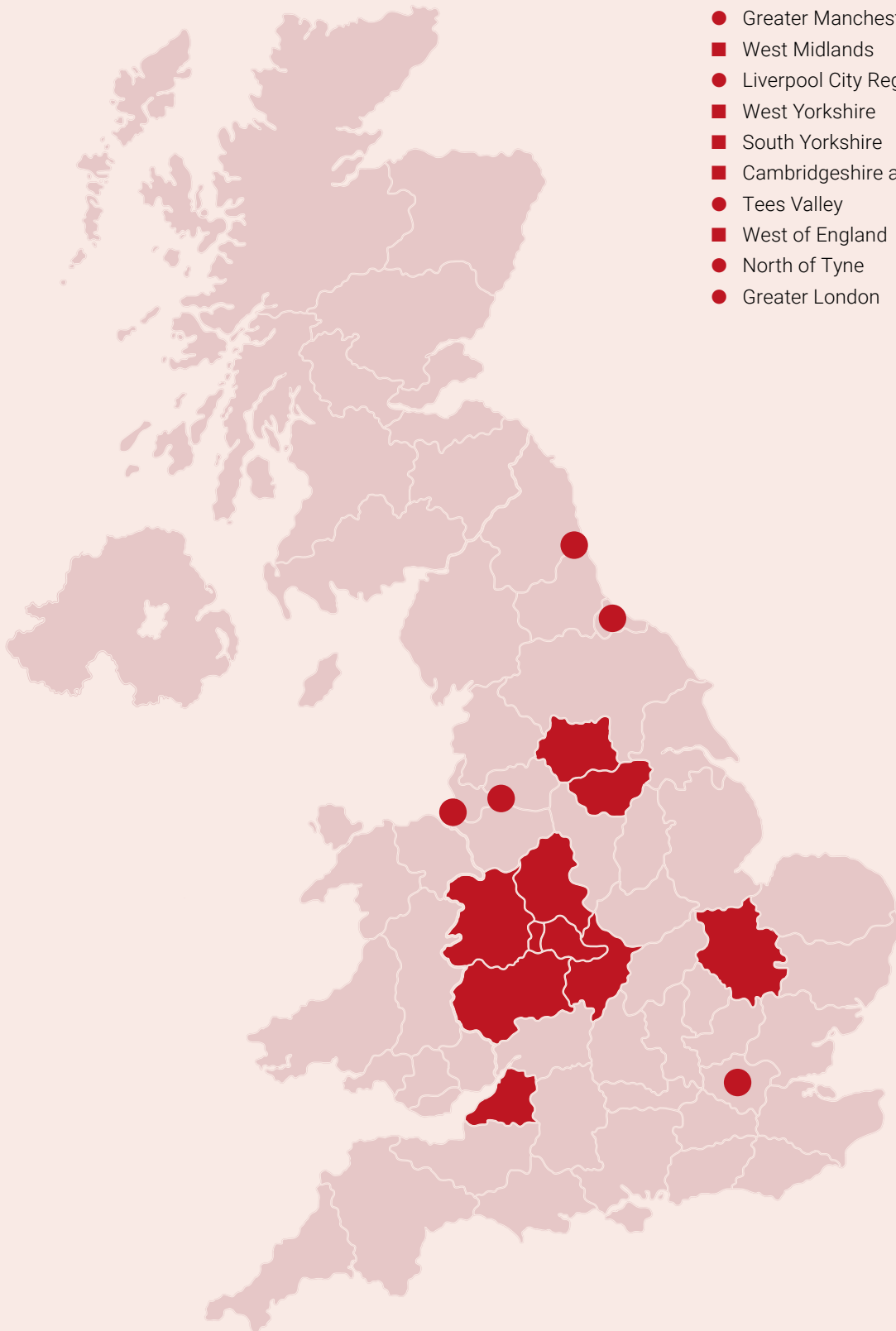
Currently, around 41% of England's population falls under devolved skills authorities, but this is expected to increase to 57% by 2030. The government aims to offer devolution deals to all counties and unitary authorities, with the budgets primarily focusing on funding adult education programs and apprenticeships.

This ultimately raises questions around the Apprenticeship Levy. With funding for the levy not ringfenced, and therefore set at the Treasury's discretion, would increased devolution in England's apprenticeship and skills policy mean decision-making powers around the levy being devolved to the regional level too, rather than remaining with the Treasury? This is a question that the Government and devolved administrations would need to consider in the event of further devolution around skills policy.

Despite the potential benefits of devolution, the long-term impact of skills devolution in England is yet to be fully realised. The success of devolution will depend on several factors including the effectiveness of devolved authorities in developing and implementing skills programs, the level of ongoing support provided by the national government, and the ability to address regional inequalities and ensure a level playing field across England.

MAYORAL COMBINED AUTHORITIES

- Greater Manchester
- West Midlands
- Liverpool City Region
- West Yorkshire
- South Yorkshire
- Cambridgeshire and Peterborough
- Tees Valley
- West of England
- North of Tyne
- Greater London



THE ROLE OF LOCAL BUSINESSES IN BETTER DEVOLUTION

RECOMMENDATION:

Use Local Skills Improvement Plans (LSIPs) to broker deals between Further Education colleges and major manufacturers to allow experienced company staff to be released for short periods of time to tutor students in manufacturing Level 2 and 3 courses, to help the manufacturing teacher crisis in FE colleges.

Local businesses play a vital role in identifying the specific skills required for their industry's growth, and devolved authorities can work collaboratively with local industries to develop training programs and invest in relevant equipment and infrastructure. This public-private partnership fosters innovation and ensures that training programs align with industry demands.

While local investment in infrastructure alone is attractive for companies looking to move to a new area, a skilled workforce is also key to retention of business. By allowing local industries to operate as knowledge hubs, sharing best practices and fostering innovation within the region, devolved authorities can facilitate knowledge exchange between businesses and training providers, leading to a more dynamic and competitive skills ecosystem.

LOCAL BUSINESSES PLAY A VITAL ROLE IN IDENTIFYING THE SPECIFIC SKILLS REQUIRED FOR THEIR INDUSTRY'S GROWTH

Manufacturers believe that devolution can contribute to tackling the shortage of apprenticeships in the manufacturing industry by using Local Skills Improvement Plans (LSIPs) and Local Skills Improvement Funds (LSIFs). One way LSIPs can help is by facilitating partnerships between local FE colleges and major manufacturing businesses. This would allow staff to be released to colleges to teach apprenticeships, helping to resolve the problem of staff retention in FE colleges due to higher-paying job opportunities elsewhere. A local partnership between industry and skills can be an effective solution for long-term skills and labour market shortages across the country.

To achieve successful devolution, devolved authorities will also need to collaborate with local businesses in various other ways. They could, for example, partner with local businesses to design industry-specific skills bootcamps, co-create apprenticeship standards with businesses, or collaborate with Sector Skills Councils that represent specific industries. Devolved authorities can also leverage local labour market data to understand current and projected industry growth, work with local schools and colleges to ensure that their curriculum aligns with the skills required by growing industries, and guarantee that resources are allocated fairly to avoid widening the gap between thriving and struggling regions.

DOES DEVOLUTION UNLOCK HIGHER QUALITY JOBS?

A by-product of promoting collaboration between local businesses, training providers, and devolved authorities, is the creation of a culture of continuous skills development, leading to a more skilled and productive workforce. This, in turn, can create higher quality jobs.

Make UK research has found that 40% of manufacturers think that devolution can help local people become higher skilled.

Factors that influence job quality include wages and benefits, work-life balance and flexibility, job security and career progression, and autonomy and skill utilisation: growing local industries might offer targeted training to attract skilled workers.

However, there are some challenges that need to be addressed.

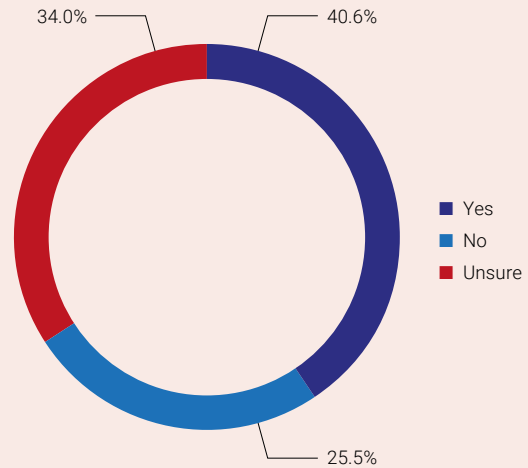
Limited resources can be a significant issue for devolved authorities. We know the next few years may be fiscally challenging, and that resources to invest in high-quality training programs could therefore be limited, which could restrict the effectiveness of devolution.

It is possible that local regions will prioritise skills development for industries that do not necessarily translate into higher quality jobs, in part because the training is easier and less costly to run. This could create a mismatch between national and local priorities for skills development. It is therefore important to ensure that training programs are developed with a view to balancing long-term goals and immediate shortages.

Devolution may inadvertently create more opportunities for 'gig' economy jobs or precarious work with limited benefits and job security. Without sufficient planning, local industries might prioritise training for jobs that are susceptible to automation, leading to short-term gains but long-term job insecurity. For this reason, it has already been suggested that investment in skills is matched with investment in equipment and infrastructure for local businesses.

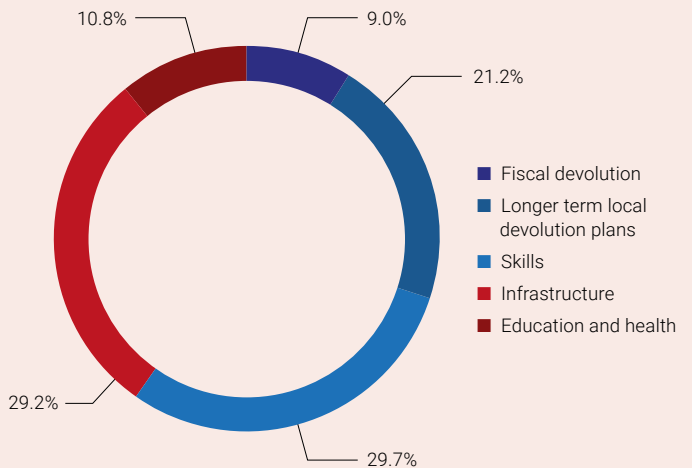
Furthermore, devolution could exacerbate existing regional inequalities, with areas with stronger economies attracting more resources and investment, leading to higher-quality jobs, while those with weaker economies struggle to offer similar opportunities.

Chart 4: Manufacturers' views on devolution helping local people become higher skilled



Source: Devolution Survey 2024, Make UK

Chart 5: What areas of devolution do manufacturers think the UK Government should go further on?



Source: Devolution Survey 2024, Make UK

The long term impact of devolution on job quality will depend on how effectively stakeholders address the challenges and implement strategies to foster high-quality skill development alongside economic growth. Stakeholders must prioritise long-term skill development, ensuring that workers have access to both technical and soft skills training. This will enable workers to keep pace with the changing demands of the job market, improving their employability and career prospects.

SHARING IN SUCCESS - HOW TO HELP REGIONS LEARN FROM EACH OTHER

RECOMMENDATION:

Track specific devolution measures, so that regions and central Government can cross-pollinate learnings from each other, allowing other regions to duplicate the successes of different devolution measures.

Devolving spending decisions and policymaking to the regions of England could unlock a new era of local control, innovation, and responsiveness to regional needs.

This would allow regions to tailor spending to their specific needs, avoiding duplication and waste. It could mean attracting specific industries, promoting local businesses, and investing in infrastructure projects that spur regional growth. Regions could experiment with new approaches to public services, social programs, and environmental regulations, fostering innovation and potentially leading to more efficient and effective services.

It is clear that manufacturers want more local decision-making with 70% of manufacturing firms stating its importance.

RECOMMENDATION:

Commit to a green paper on the cost and benefits of devolving tax collecting powers in the UK.

Furthermore, while growth in the UK remains stagnant, the broader argument for why fiscal devolution as a policy should at least be reviewed retains significance. It stands to reason that if we continue to do more of the same, we will get the same results.

**IT IS CLEAR THAT
MANUFACTURERS
WANT MORE LOCAL
DECISION-MAKING
WITH 70% OF
MANUFACTURING FIRMS
STATING ITS IMPORTANCE**



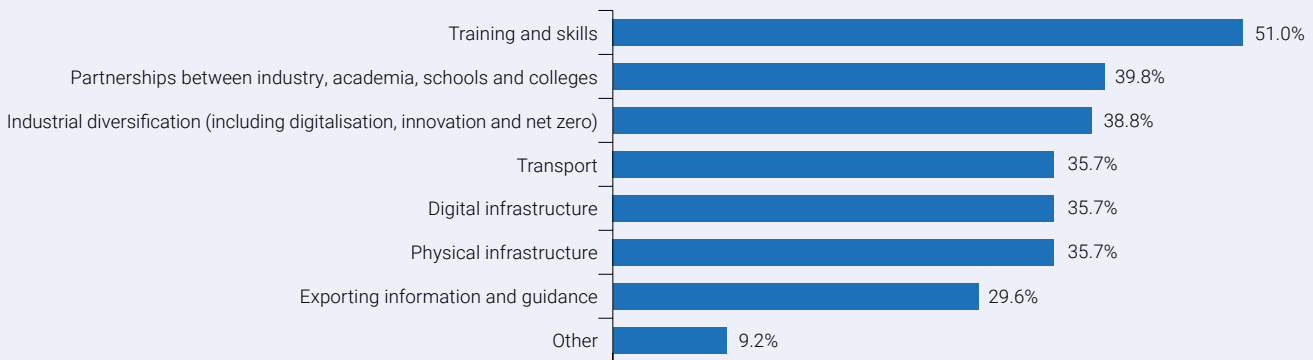
Of course, devolution would not be without its challenges. Maintaining Westminster's national oversight would be crucial to ensure quality standards and avoid a patchwork of conflicting policies.

There would need to be safeguards to prevent deprived areas from falling behind their wealthier counterparts, potentially exacerbating existing regional inequalities. With some regions currently unequipped to handle this significant shift in power,

building capacity and ensuring equitable distribution of resources would be essential.

Government should therefore implement a monitoring and evaluation system to aid in its understanding of devolution's successes and failures and ensure knowledge transfer on best practice between regions. This should be accompanied by Government tracking specific devolution measures, so that all parties can have an informed view on what works and has been effective use of devolved funds.

Chart 6: Manufacturers' view on what they would like to see in a future devolution settlement



Source: Devolution Survey 2024, Make UK





Make UK, The Manufacturers' Organisation, is the representative voice of UK manufacturing, with offices in London, Brussels, every English region and Wales. Collectively we represent 20,000 companies of all sizes, from start-ups to multinationals, across engineering, manufacturing, technology and the wider industrial sector. Everything we do – from providing essential business support and training to championing manufacturing industry in the UK and the EU – is designed to help British manufacturers compete, innovate and grow. From HR and employment law, health and safety to environmental and productivity improvement, our advice, expertise and influence enables businesses to remain safe, compliant and future-focused.

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For more information,
please contact:

Faye Skelton
Head of Policy
fskelton@makeuk.org
