

ACCOUNTABILITY GAP

HOW ROBUST ACCOUNTABILITY
CAN UNLOCK DEVOLUTION'S
PROMISE

Marcus Johns
July 2026

Acknowledgements

The author would like to thank APSE for supporting this research.

The author would also like to thank those who shared their insights and expertise during the development of this research, and all those who attended the policy roundtable in collaboration with APSE. The author spoke to Mark Sandford, Phoebe Brown, John Denham, Janice Morphet, JP Spencer, Ed Hammond, Helen Iles, Jack Shaw, Claire Spencer, Mike Hawking, Arianna Giovannini, and Adrian Pearson as part of this research.

At the Fabian Society, the author thanks Luke Raikes, Iggy Wood, Joe Dromey, and Ash Singleton for their feedback and support.

About the author

Marcus Johns is a senior researcher at the Fabian Society.

CONTENTS

SUMMARY	1
1. INTRODUCTION	4
2. DEVOLUTION CAN HELP PLACES PROSPER.....	6
3. STRONGER ACCOUNTABILITY IS THE MISSING LINK.....	12
4. RECOMMENDATIONS	22

SUMMARY

Robust accountability will support England's powerful mayors to deliver on their mandates from local voters. Strong executives alongside well-designed checks and balances can realise the promise of devolution and facilitate economic growth, better living standards, and vibrant local democracy.

England's mayors are increasingly powerful directly elected executives

England is finally getting a stronger subnational tier of government. Labour is rolling out a new way of governing – one that offers the promise of an economy that works for the whole country by giving places control over what matters. Powers and funding historically held by Westminster will transfer to mayors and council leaders covering city-regions and counties across England. These devolved institutions can help reverse the economic decline exacerbated by our highly centralised state.

By the end of the year, these powerful new institutions will:

- Govern 72 per cent of England's population.
- Cover 73 per cent of England's economic output.
- Control £31bn of public spending annually.

Local accountability can support mayors to make good decisions

Robust accountability will support mayors to deliver on the promise of economic growth, better living standards, and stronger democracy. Strong accountability empowers local people democratically by allowing them to hold their leaders to account between elections. The evidence also shows it leads to better decisions on investment and services, which in turn tend to create good growth. It is particularly important in the context of fiscal devolution because it helps to build a healthy connection between local taxpayers and decisions made on their behalf. Local accountability is not a way to rein in local power – instead, it offers a way to shake off the

micromanagement of central government and unleash the potential of devolution. It is an enabling foundation, not a constraint on delivery.

But the current system of accountability is both too weak and too strong. Local scrutiny systems remain weak given the strength of executive power. Accountability to the public remains unclear and is failing to build the trust that will see these institutions survive and thrive long term. Accountability to the UK government dominates all other forms of accountability, consuming local capacity, and creating a chilling effect on local agency. The focus on financial accountability has been too strong, leading to wider considerations like democratic legitimacy and agency being overlooked. Finally, the current system with all its centralised micromanagement has failed to prevent public funds invested poorly, such as in Tees Valley.

This government is rightly strengthening local accountability. It is expanding bottom-up accountability (ie, local actors holding central government to account), reforming spending through the integrated settlements, and reforming audit through the Local Audit Office. The Devolution Act is also establishing local scrutiny committees, new mechanisms for experts and the public to hold mayors to account, and standardising decision-making processes, alongside extending powers.

Recommendations: A new local accountability architecture

Strategic authorities now represent a major new category of governance in the UK. As this government seeks to complete the map of devolution in England, it must finish building the systems of governance to both make devolution work and build a platform for fiscal devolution in future.

But accountability is not just a technical problem that needs fixing. It must be grounded in a view that popular sovereignty flows through all tiers of democratic government simultaneously, that strong executive power demands strong democratic counterweights, and that accountability must endure and evolve devolution. To achieve this, we can learn from local government, national government, and the national devolved governments, including how the design of the Welsh government's accountability provides systemic assurance that negates the need for line-by-line Westminster scrutiny.

The government should:

- Create a powerful democratic counterweight with a prominent and respected local scrutiny system providing real local challenge, checks, and balances. The government should create powerful local

scrutiny chairs, expand scrutiny functions, improve audit, and empower local leaders to set up local public-accounts style committees holding the whole public sector to account.

- Reduce central micromanagement with localised financial accountability and stronger official transparency. The government should establish hybrid Local Accounting Officers, similar to Wales's arrangement but within England's systems accountability framework, and reshape accountability for devolved funds so it is shifted out of central government.
- Recognise and increase mayoral legitimacy by expanding bottom-up accountability and developing a culture of mutual respect between tiers of government. The government should work with mayors to hold central government to account and demand high standards from mayors.

These technical but important changes will create a more balanced system of MSA accountability. It will allow central oversight to recede, and shift Whitehall's centralising culture towards a responsive, legitimate and accountable local state. Done well, it will empower mayors to make better decisions. And that will mean economic growth, better living standards, and a stronger democracy.

1. INTRODUCTION

Devolution can change people's lives for the better. Empowered local leaders make decisions that reflect local needs and aspirations, whether on transport, housing, skills, or economic development. A distant central government simply cannot manage crucial subnational policy areas effectively. England is finally building the subnational institutions to correct this failing, and more powerful institutions that can govern local economies rather than trying to govern England's full complexity from the centre alone. Ensuring these institutions are accountable is not a constraint on this ambition, but an enabling foundation.

This government has gone further than its predecessors, with the English Devolution and Community Empowerment Act (the Devolution Act) the most significant step yet. It is replacing bilateral deals between Westminster and strategic authorities with a transparent framework of powers, strengthening autonomy and providing limited constitutional protections for strategic authorities in primary legislation. It will help complete the map of strategic authorities across England, deepen mayoral powers, reorganise local government, and lay the foundations for fiscal devolution.

Strong local accountability is the next step to empower places further. Accountability refers to the specific mechanisms and the culture through which institutions and their actors, like mayors, justify and account for their decisions. Under previous governments, accountability's role in building strong and powerful institutions was overlooked. The current government, in contrast, has been clear: "a vital element of successful devolution is the ability for local residents to engage with and hold their devolved institutions to account."¹ It has also set out some welcome new proposals as the Act progressed through parliament. But as mayoral powers strengthen, there is an opportunity to further build accountability arrangements that help deliver on devolution's promise.

This paper argues that mayoral strategic authorities (MSAs) need robust accountability, both to truly unlock the benefits of devolution and to build the long-term democratic legitimacy needed for it to endure and evolve¹. We

¹ Throughout, strategic authorities (SAs) refer to the subregional tier of government that has been the target of devolution, replacing combined authorities (CAs) and including the Greater London Authority (GLA). This paper focuses on mayoral strategic authorities (MSAs) and Established MSAs (EMSA), reflecting the government's devolution framework.

argue that robust accountability can facilitate better, more local decisions by escaping the micromanagement of central government's accountability.

2. DEVOLUTION CAN HELP PLACES PROSPER

There is a strong link between good local governance and good outcomes. This section shows how this relationship works and how devolution has progressed in England to date.

Devolution matters

Devolution can improve people's lives. Evidence shows that devolution and good governance can deliver:

- **Economic growth.** Strong subnational institutions help make policy responsive to local conditions and encourage leaders to prioritise public investment to build and exploit endogenous capabilities and local assets.² Devolution can therefore also help reduce England's cavernous regional economic inequalities, which intense centralisation has enabled. Evidence from western Europe is unambiguous that less well-off regions benefit most from such effects.³ However, this link is conditional upon good institutions, meaningful powers, and policy design.⁴
- **Better living standards.** Where local control over spending is higher, we tend to see more progressive investment decisions, higher investment in education and infrastructure, and improved social welfare.⁵ The public also tend to be more satisfied with public services in more devolved, developed countries.⁶
- **Healthy democracy.** Trust in politics is declining – and declining most among those furthest from the centre of power.⁷ The public tend to recognise their mayors and usually want to see them empowered further.⁸

These better outcomes should incentivise central government and its departments to devolve – and recognise that the nation and its economy are too complex to manage through our overly centralised system.

England is highly centralised

The UK is the most centralised of all the large, advanced economies in the OECD. As shown in Figure 1, just 20 per cent of total UK public spending happens sub-nationally, and only 6 per cent of total tax revenue is raised sub-nationally. This is a starkly low share of both public spending and tax raising compared to OECD and EU averages, and below the level of comparable economies like France, Germany, Spain, Japan, and Canada. England is even more centralised than the UK overall; if treated separately, it would likely report very low figures, since it lacks a devolved England-only tier of government equivalent to the devolved governments of Wales, Scotland, and Northern Ireland, which factor into UK-level reporting.

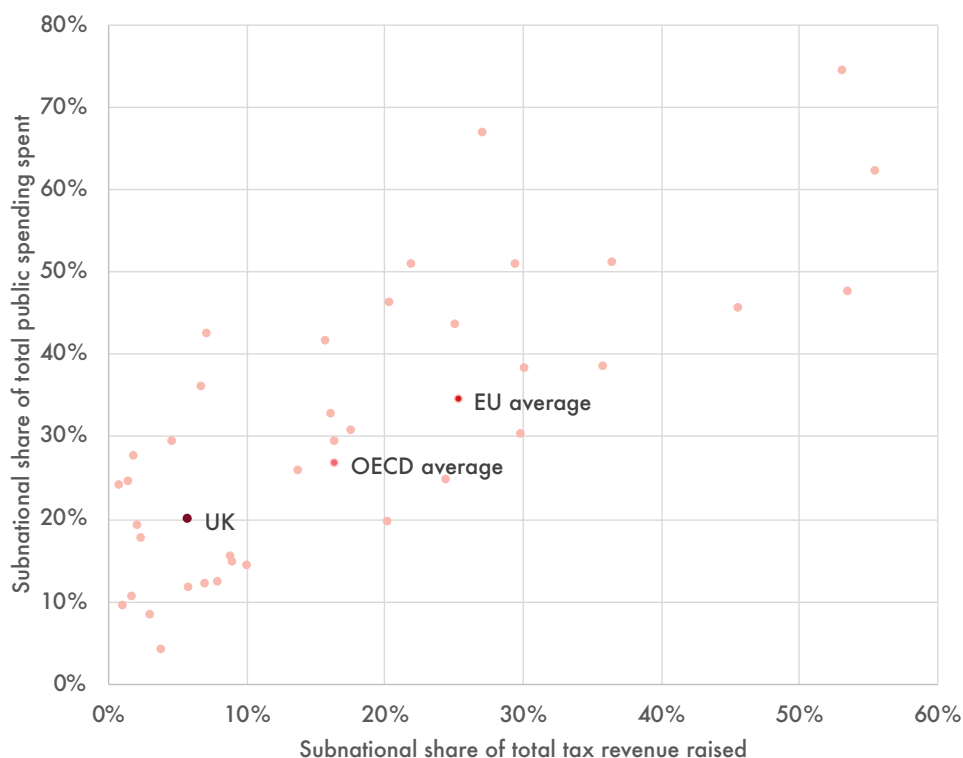
This has an impact on people's lives. An underperforming and dysfunctional state has allowed both underinvestment in infrastructure and economic development and overspending on projects that do go ahead. It has burdened central government with too many decisions to make, and local government with the consequences of spending cuts, and kept it in a state of flux leading to a fragmented and complex landscape.⁹ This has led to poor national economic growth and faltering living standards.¹⁰ The government has acknowledged the effect that this has had.¹¹

The alternative is clear to see in other countries. France, Germany, and Canada each have challenging economic geographies and histories which make them regionally unequal. However, their higher local autonomy delivers more balanced national economies than the UK – with our heavy dependence on London's economy.¹² The visible results on the streets and in the city centres of these countries reflect what powerful local government can do: more tram networks, higher housing delivery, and a proud public realm.¹³

Greater Manchester is an indication of what this could look like in the UK, establishing itself as a blueprint for reviving productivity growth. It has used devolved powers and funding with a strong evidence base to align policy domains behind a robust economic strategy. Improving its transport system, investing in expanding the housing supply, skills policy, and extensive business support have enabled the city region to grow inclusively.¹⁴ This growth has seen the city region grow its economy at double the UK's growth rate, reducing the gap significantly between productivity in Greater Manchester compared to the UK.¹⁵

FIGURE 1: THE UK IS ONE OF THE MOST HIGHLY CENTRALISED LARGE, ADVANCED ECONOMIES

Share of total tax revenue that is raised at the subnational level on the x-axis and the share of total public spending that is spent at the subnational level on the y-axis across the OECD



Source: OECD, Subnational governments structure and finance in OECD countries: Key data, 2025

Mayors are increasingly powerful actors

Fortunately, a better system of devolution is emerging. When Labour was last in power, they created the combined authority model to pool powers across councils through the Local Democracy and Economic Development and Construction Act 2009. The first, the Greater Manchester Combined Authority, was founded in 2011; the 2014 'Devo Manc' deal then shifted powers over transport and policing and some health spending to Greater Manchester. Following the abolition of Regional Development Agencies, these authorities became increasingly important strategic bodies overseeing functional economic areas. More combined authorities have since been established and their powers expanded. The mayoral model has been rolled out, too, with the first Combined Authority Mayors elected in 2017. This Labour government is evolving these bodies into strategic authorities, expanding their powers and resources, and aiming to cover all England.²

² Strategic authorities is the term the government now use for the category of devolved authority in England, including combined authorities, mayoral combined authorities, and the GLA, all covering economic geographies with strategic powers and investment over

Mayors and strategic authorities already control significant budgets with expanding powers crucial for local economies. They have powers over transport and infrastructure, housing and strategic planning, skills and employment support, economic development and regeneration, the environment and climate change, public safety, the environment and climate change, culture, health and wellbeing, and public service reform. The mayors of the seven MSAs with integrated settlements³ – known collectively as the Established Mayoral Strategic Authorities (EMSAs) – together control around £31bn in public expenditure annually across their total group budgets (including all capital and revenue). This is 2 per cent of total public spending. As figures 2 and 3 below show, they currently cover 64 per cent of England's landmass. The most financially powerful remains London's GLA (accounting for around two-thirds of spending among them), followed by Greater Manchester and the West Midlands.

These MSAs are set to become more powerful. The Devolution Act places mayoral competences, those defined policy areas over which mayors and MSAs have powers and responsibilities, on a statutory footing, establishes a standardised framework of powers, offers a general power of competence to mayors, and sets up a 'ratchet effect' through a mechanism to expand the devolution framework wherein established mayors can request their powers are further deepened. It also sets up a faster process through which these authorities can be expanded and attain the most advanced status, including integrated settlements. This means that, by 2029/30, the government is due to grant EMSAs⁴ integrated settlements collectively worth £4.3bn annually,⁵ approximately 0.28 per cent of total public spending. This is not insignificant, though it is small relative to the populations within these EMSA areas or compared to regional spending discretion in the large, advanced economies discussed above. Integrated settlements do not and will not account for the full spending by EMSAs as reported above, forming only a proportion of the budgets EMSAs will control.¹⁶

The future is positive for devolution. The government has floated further fiscal devolution, which would be a major step toward unwinding the centralisation that has undermined local places and the national economy. Today's settlement requires extensive HM Treasury (HMT) agreement for MSAs to use their flexibility – for example, to switch up to 10 per cent of

economic development, transport, skills, housing, strategic planning, net zero, public safety, and culture for instance.

³ 'Integrated settlements' is the term the government uses to describe the consolidated, flexible funding arrangements for EMSAs which replace the multiple separate funding pots and streams with a single multi-year settlement, shared outcomes framework, and greater flexibility to allocate funding at the EMSA level.

⁴ GMCA, WMCA, WYCA, NEMCA, SYMCA, GLA, LCRCA

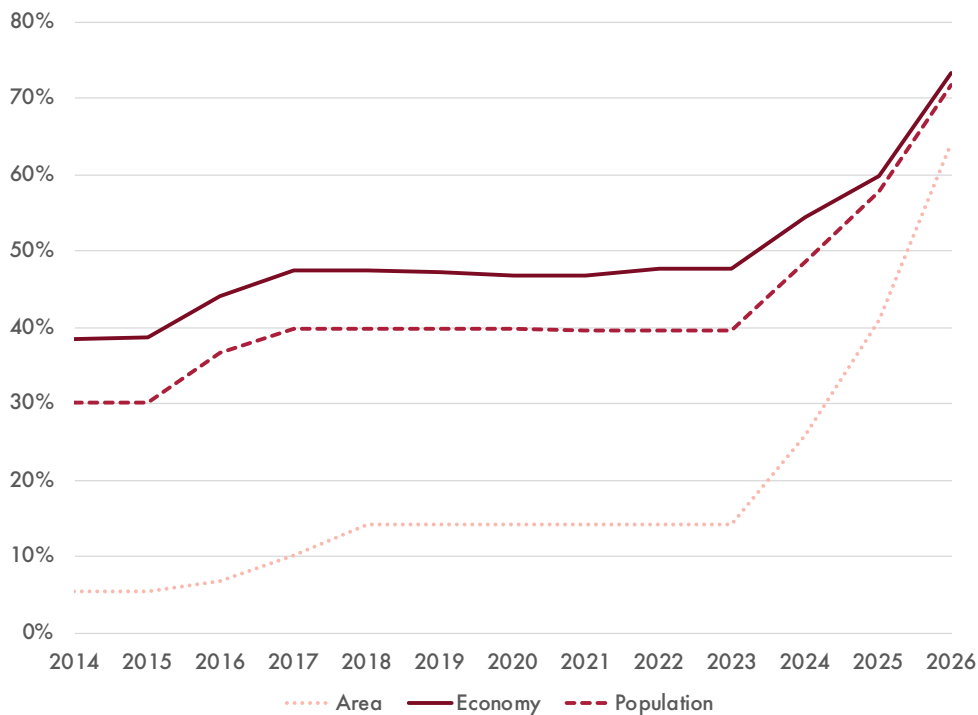
⁵ The government committed £13 billion in total from 2026/27 to 2029/30

capital to revenue. As fiscal devolution allows more funds to be raised locally, such as through retained business rates or income tax allocation, local agency will be strengthened and central controls will recede. Accountability arrangements will need to adapt to this.

Meanwhile, further potential arises from the new statutory footing for strategic authorities, the emerging fora like the Councils of Mayors or Nations and Regions, and the momentum and unresolved questions of the English Devolution and Community Empowerment Act (the Devolution Act) to be set out in regulations. These create a genuine opportunity to shift not only the structures of government but its operating culture.

FIGURE 2: NEARLY THREE QUARTERS OF ENGLAND’S POPULATION AND ECONOMY WILL SOON BE COVERED BY A STRATEGIC AUTHORITY

Percentage of England’s area, economy, and population covered by SAs 2014-2026 including the GLA and SAs planned to exist in 2026

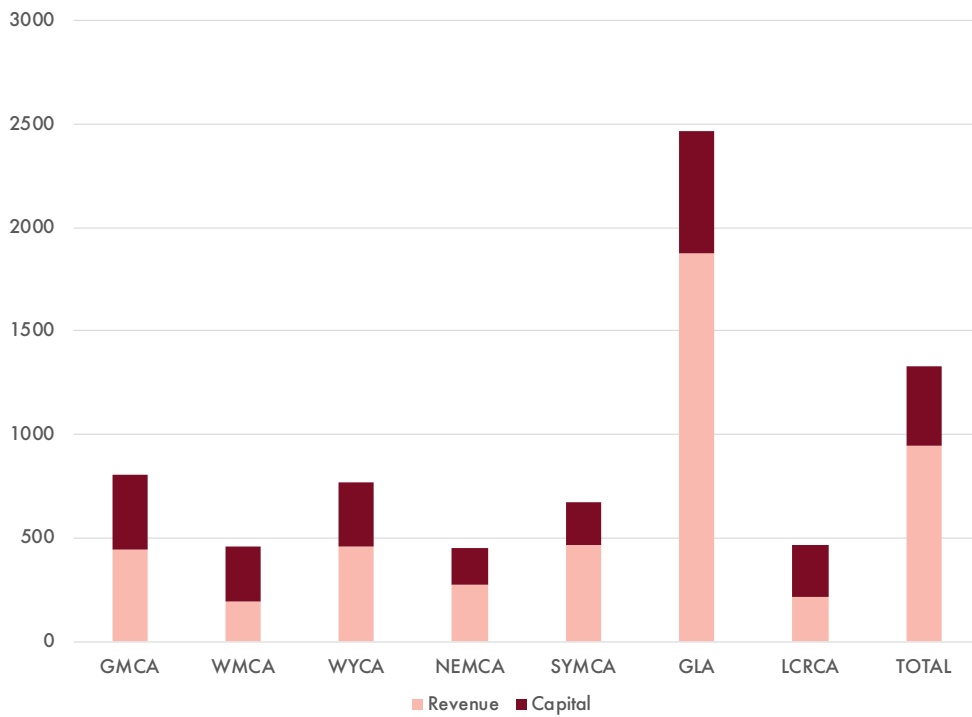


Source: ONS, Subnational Population Estimates, NOMIS, 2026; ONS Subnational Population Projections for England 2022-Based, NOMIS, 2022; ONS, UK Small Area Gross Value Added Estimates, NOMIS, 2023; ONS, Standard Area Measurements for Administrative Areas, Open Geography Portal, 2025

FIGURE 3: ESTABLISHED MAYORAL STRATEGIC AUTHORITIES CONTROL SIGNIFICANT LOCAL BUDGETS

Estimated per person spending within total group budgets among the seven strategic authorities with integrated settlements in the 2026/27 municipal year (£ per capita)

ACCOUNTABILITY GAP



Source: GMCA, Revenue and Capital Budgets 2026/27, 2026; WMCA Consolidated Budget 2026/27, 2026; WYCA 2026/27 Budget & Business Plan, 2026; West Yorkshire Police and Crime Panel, Medium Term Financial Forecast 2025/26 to 2028/29, 2026; NEMCA, 2026-27 Budget and Medium-Term Financial Plan, 2026; SYMCA, Annual Group Budget & Treasury Management Strategy, 2026; GLA, The Mayor’s final consolidated budget and capital spending plan for 2026-27, 2026; and LCRCA, Combined Authority Budget 2026-27, 2026.

3. STRONGER ACCOUNTABILITY IS THE MISSING LINK

The increasingly powerful MSAs will need increasingly strong governance: long-term institutional security, clear responsibilities, sufficient funding and capacity, and strong transparency. This section sets out the case for robust accountability to support strong executive power.

Accountability is important

Devolution's promised benefits, discussed above, are contingent on the careful design and working of devolved institutions.¹⁷ Accountability is both a generator and a safeguard of the good governance that unlocks this promise. Evidence shows that robust accountability will:

1. Enable good growth, building prosperity broadly and inclusively. The OECD, along with other devolution literature, highlights that strong institutions, clear responsibilities, and good oversight underpin economic prosperity and responsive economic policymaking.¹⁸
2. Ensure better decision making. Stronger local accountability will enable a more strategic, active, decisive, accountable, and capable local state.¹⁹
3. Empower people democratically, taking advantage of powers being more proximal to the public by hardwiring responsiveness, visibility, and place-based leadership into devolved institutions.²⁰

What is accountability?

The term accountability is used frequently to communicate images of good governance and “has come to stand as a general term for any mechanism that makes powerful institutions responsive to their particular publics.”²¹

Accountability in democracy operates through several modes including elections, transparency, and checks and balances. The accountability typology informing this paper distinguishes between to whom authorities are accountable; the focus of accountability (ie audit or democratic participation); the analytical contribution of accountability (ie broad evaluations or specific practices); and the modes of democracy (eg inward within an institution, from the central to the local, or where local actors hold the central state to account).²²

Here, accountability is defined as the mechanisms and operating culture through which institutions and actors within them justify and account for their decisions in keeping with values of democratic and financial stewardship. The paper is principally concerned with inward and bottom-up accountability – ie, how MSAs are held to account by their own governance structures and their communities, and how they can hold higher levels of government to account.

Assurance and audit are important components of this broader picture but are a secondary consideration in this paper, because ongoing policy is being implemented – namely, establishing the Local Audit Office⁶ which is too early to evaluate.

Accountability is an important part of the next phase for devolution. Devolution is a process which has not concluded. Fiscal devolution is the next frontier, and in time, will play an important role in strengthening local accountability too. International evidence tells us that it enhances accountability as the influence of local electorates becomes greater relative to central government over the spending of central government grants.²³

However, in places like Greater Manchester and the West Midlands, the first to receive integrated settlements, centralised accountability was a significant point of negotiation between MSAs and government, resulting in negotiated

⁶ In this report we have not abbreviated the Local Audit Office at any point, and all references to LAOs are to local accounting officers.

Outcomes Frameworks and a Government Programme Board where senior civil servants hold MSAs to account for progress against those outcomes.

Fiscal devolution depends on accountability as a foundation. This is because well-designed local accountability builds the confidence and assurance that allows central micromanagement to recede and autonomy to expand.

Accountability falls short

The Devolution Act makes significant progress on governance and accountability. It puts MSAs on a clearer legal footing and introduces simpler voting rules and more consistent governance. The official English Devolution Accountability Framework structures MSA accountability across three pillars.²⁴ Further development is needed within each of these pillars. Currently, accountability is both too weak and too strong in different dimensions.

Pillar 1: Local scrutiny and checks and balances remain underdeveloped and too weak given the strength of executive power

Checks, balances, and scrutiny mechanisms provide the accountability through which powerful institutions are held to account from within. This is a necessary component of good governance, requiring institutions to account for their decisions and strengthening responsiveness by elected representatives, who bring their constituents' interests to bear.

Local councils, for instance, can change administrations, amend their constitution, and reserve power through full council meetings. The GLA has an elected assembly – which, while flawed, serves a purpose – and the devolved nations have powerful parliaments. MSAs have fewer institutional counterweights.⁷ The mayoral model establishes a transparent line of accountability from electorate to mayor. However, it is characterised by strong executive power with no full council of elected members as local councils have (as the primary decision-making body who can scrutinise, challenge and if necessary remove the executive), fewer statutory controls and inspection regimes, thinner legal powers and broader public policy reach.²⁵ MSAs evolved from local government, but they are diverging from councils in their powers, resources, and governance; the current system of accountability has not kept pace with this divergence.

Government policy has started to improve accountability. The official accountability framework sets out an expectation for appropriate scrutiny.

⁷ Excluding the GLA and the London Assembly in this context

The 'scrutiny protocol' sets out how overview arrangements should be organised and the key principles for effective scrutiny, including how committees are formed, how they can function effectively, and what their role and responsibility is.²⁶ These arrangements require all MSAs to publish a local assurance framework explaining how they use public money responsibly, operate with transparency, and deliver on their strategic outcomes.

MSAs have also taken steps to strengthen local accountability. Greater Manchester undertook a detailed independent review of how its overview and scrutiny system was functioning. This recognised wider challenges with scrutiny in the MSA system around things like capacity, performance evaluation, and scrutiny of policy development, and developed a detailed plan to strengthen scrutiny. It included consolidating work into a single committee that was focused and better recognised members' time and effort to develop and maintain engaged scrutiny.²⁷ Following the publication of the scrutiny protocol in 2023, other MSAs including the Liverpool City Region Combined Authority have also reviewed and reformed their oversight and scrutiny system to ensure local practice is fit for purpose and has evolved with the changing devolution settlement over time²⁸.

The government has also recognised that as further powers are devolved, a new, stronger system of accountability is needed beyond these policies.²⁹ The Devolution Act is rightly strengthening scrutiny. It will form local scrutiny committees (LSCs), expanding their powers while retaining the strengths of the collaborative system in which local authorities have a strong stake. This is a sound statutory footing for stronger inward accountability. These LSCs will:

- Have stronger rights to information, and powers to require attendance by mayors, deputy mayors, commissioners, and officers, with penalties for non-attendance.
- Scrutinise all decisions and actions, including appointments to commissioner roles and pre-policy scrutiny.
- Make recommendations to which the mayor or MSA must respond in writing.
- Have stronger focus on value-for-money and the ability to escalate reports and recommendations with other bodies.
- Establish expert panels to consult and hear petitions.
- Have at least two scrutiny officers.

These steps are welcome. The government is preserving and evolving key elements of the inclusive, collaborative governance system that feature in the MSA system. One strength of this system is the integrated relationships with constituent councils, and the ability of the elected members of those councils to take part in scrutiny and decision-making, predominantly through their

leaders, on the MSA board and committees.³⁰ Since the 1970s, local government and local councillors have had their powers and autonomy constrained and eroded.³¹ Building stronger strategic authorities in local councils and their elected members have an active role to play is one, of several, means to reverse such erosion.

This approach was primarily devised in Greater Manchester. After the metropolitan county council was abolished in 1986, the ten local authorities in Greater Manchester continued collaborating, forming the Association of Greater Manchester Authorities (AGMA). Through joint governance arrangements and direct collaboration, Greater Manchester sustained a common economic strategy, attracted investment into the city region, and ultimately enabled the rollout of the Metrolink light rail network from 1992 onwards, which has been a key part of Manchester's regeneration and growth story benefitting the whole city region. The creation of the mayoralty in 2017 enabled further powers to be devolved through devolution deals, strengthening the model with a visible, directly accountable regional leader, but maintained the collaborative, integrated model with constituent councils.

Greater Manchester's Bee Network is a totemic example of how devolved powers can deliver improvements in a highly visible way. Its development was enabled by the collaborative model – with support from constituent councils throughout the process, and a shared desire for an integrated transport network. As the network evolves, this integrated city-regional governance and accountability model ensures local leaders responsible for shaping planning, highways, high streets, and economic development work across local authority boundaries and with strategic bodies like Transport for Greater Manchester to cohere policy behind a shared strategy. While not all strategic authorities have such longstanding practice of collaboration, it is to their long-term benefit that such practices are built up, so that the benefits of good, integrated, and collaborative governance can be unlocked.

The approach of preserving and evolving what works in MSAs is the correct one then. It is a significantly better option than trying to recreate the London Assembly, which – if adopted elsewhere – would be counterproductive, risking institutional complexity and siloed accountability.³² MSAs' practical role in coordinating across and with their constituent councils is strengthened by integration existing at several levels, including through accountability mechanisms. While the strengths of the London Assembly – such as independent budgets and staffing resources – provide useful learning, blurred accountability, duplication, and a disconnect between local councillors and highly place-based policymaking and oversight are traps to avoid. The government's changes to strengthen scrutiny within the MSA model strike this balance effectively.

Likewise, where the previous government proposed a role for members of parliament in MSA oversight, this government's proposals instead strengthen the local system. Proponents of the former model argue that MPs have a constituency interest in how MSAs perform and can link local and parliamentary scrutiny. However, MPs' mandates to be national legislators in Westminster are distinct from mayors' mandates to run MSAs and local councillors' mandates to govern councils. Local government and MSAs have their own democratic legitimacy and a mandate over local concerns. Embedding MPs in local scrutiny arrangements risks overriding local democratic legitimacy and prioritising national politics over local matters. It offers insufficient attention to the task of scrutinising MSAs in depth. Sustained, detailed scrutiny of strategic authority decisions will never be a primary function of MPs, who are national legislators, scrutinise national legislation, and form national governments and oppositions. Parliament is responsible for designing the overall system of local government and oversight of its overall functioning in our unitary state, but it is local agency and robust democratic processes locally that enable the benefits of devolution to be unlocked. Local democratic processes, properly resourced, are the right mechanism for holding local institutions to account, which is the focus of this government's proposals. Meanwhile, it is intergovernmental relationships that can support collaboration between tiers of government.

Nonetheless, there remain specific problems to address that contribute to weak accountability:

- MSA scrutiny committees have faced challenges attracting committed members, maintaining quoracy and adequate resourcing, and promoting forensic questioning befitting the strategic role of MSAs over receiving information.³³
- Committees often lack visibility and their chairs are neither full-time nor high-profile, with limited remuneration and resourcing to provide consistent challenge and public visibility of scrutiny.
- Resourcing has not always been sufficient. Committees often have limited research capacity, tend not to commission external analysis, and often merely 'note' information rather than producing reports and recommendations that shift policy locally.³⁴
- Official transparency is particularly underdeveloped. Intense reporting regimes back to Whitehall for MSAs are married with longer standing local government financial backstops creating complex accountability arrangements that are insufficiently focused on serving and being held to account by local electorates.³⁵
- The development of local capabilities to promote regularity, propriety, and value for money has been stymied by overhanded accountability from the centre, with officials devoting significant resource to bottom-up reporting to Whitehall over stronger local oversight.³⁶ This has prevented the development of robust

accountability and political culture locally. It interrupts the integrated design between MSAs and their constituent councils, forcing MSAs to devote resources to meeting central government diktats over deeper working with constituent councils in some MSAs.

- The relationship between councils and the distribution of accountability at and between tiers of subnational government and their electorates remains unclear.³⁷
- MSAs increasingly convene and shape across institutional boundaries, blurring distinctions between local and central. This has not been matched by sufficient scrutiny over delineations in responsibility and how shared goals are agreed and executed.
- The extension of mayoral powers, from the appointment of commissioners to the general power of competence, is not yet matched by proposals for scrutiny of the need for and use of such powers.

Pillar 2: Accountability to the public is still too weak to ensure continued existence and legitimacy

Democratic institutions derive their legitimacy from public consent, which is reproduced through elections, responsiveness and participation.

Accountability to the public is important in ensuring devolution can evolve and endure. It enables the culture of evidence-based decision-making and constant improvement that promotes the good outcomes, local agency, and democratic legitimacy.³⁸ It provides the foundation for those institutions to respond to their communities rather than to central government alone, shifting political and official focus towards electorates. And it increases the chance of devolved institutions becoming permanent, immovable features of how England is governed, because it allows the reproduction of public consent for these institutions to operate. The long-term risk of neglecting public accountability is a decline in trust, which would be harmful to democracy and allow future governments to override and abolish today's devolved authorities.³⁹

MSAs have some significant advantages in terms of their accountability to the public. Mayors are highly visible and directly accountable to the public via election. A given MSA as a whole is indirectly accountable through the participation of its constituent councils, which are democratically legitimate in their own right.

The government is strengthening MSAs' public accountability. The accountability framework sets out guidance to ensure that the public can understand who does what and how they are performing. The Devolution Act's petition mechanisms, and retention of the link with local councils

(discussed above), strengthen the public's ability to have its concerns given oversight and scrutiny, and could facilitate a wider cultural shift towards a more local, accountable, and democratically rooted state at all tiers.

But there remain challenges in terms of accountability to the public:

- MSAs are too often delivering central government priorities. The public need confidence that devolved institutions can be influenced and challenged locally and have sufficient agency to respond to their electorate. The current model limits the influence of the local public, however, because of its emphasis on central and financial accountability mechanisms (discussed below).
- Mayors are not consistently required to appear before constituent councils to answer questions from elected councillors, limiting one direct route through which upward accountability is expressed.
- The relationship between local authority scrutiny and MSA scrutiny lacks clear coordination mechanisms which could be used to expand democratic coverage, further bottom-up accountability, and give more opportunity for forensic scrutiny approaches in coordinating local detail with strategic overview.
- Participatory and direct democratic mechanisms, which can build a more active citizenry, could play a stronger role in a more democratic culture across the state.

Pillar 3: Accountability to UK government remains financially driven and dominates other forms of accountability

The relationship between MSAs and UK government is crucial. Parliament is ultimately responsible for governing the UK and for overseeing the raising of taxes and spending of taxpayers' money. Parliament, HMT, and relevant departments have a legitimate interest in how funds are used at all levels in the UK and financial safeguards ensure public funds are used efficiently, economically, and effectively. However, this dimension of accountability is too strong, and dominates the MSA system.

There are four related problems:

- **Overbearing financial micromanagement.** Top-down accountability, focused on accounting for lines of spending, forces MSAs to spend significant capacity and attention on central policy priorities rather than local ones. Significant resources are consumed negotiating with central government along departmental lines. Overzealous outcomes monitoring constrains, rather than enables, MSAs. For instance, it limits local places trying to integrate transport,

housing, economic development, and employment support behind shared regeneration goals. For too long, accountability has been used by HMT as a justification for not devolving power, establishing central controls over funding allocated under devolutionary language.⁴⁰ This financially-driven model crowds out a wider understanding of accountability that would encompass both consent from the centre — imperative in a unitary state — and popular consent — imperative in a democratic one.

- **Insufficient central attention where it matters.** By overburdening central government, crucial financial accountability is often missed. Tees Valley shows what can happen in such circumstances. Significant public funding was invested in the UK's biggest brownfield project, but accountability was lacking both locally and centrally, with a failure to manage corruption risk.⁴¹ This illustrates the risk of inadequate oversight of powerful mayoral institutions.⁴² The recent breakdown of local audit systems, culminating in the comptroller and the auditor general disclaiming the 2022-23 Whole of Government Accounts for the first time, makes this more pressing.⁴³ The government is right to overhaul local audit through the creation of the Local Audit Office.⁴⁴
- **Limited bottom-up mechanisms to improve governance.** Between them, the Council of Mayors, Council of Leaders, and Council of Nations and Regions create new opportunities for a structured dialogue between tiers of government and upward accountability from the local to the centre. They lack a statutory footing, however, and are underutilised for the purposes of providing consistent, formalised bottom-up accountability from MSA into central government, coordinating policy across places, and shifting Whitehall's operating culture. Some wider reforms risk stripping out the focus on place, including the proposed reduction in the number of police forces, which could remove some police and crime commissioners (PCCs) without replacement by mayoral PCCs; the abolition of Healthwatch; and removal of NHS Foundation Trust governors.
- **Limited coordination within places across institutional boundaries.** Accountability facilitates public service reform by identifying gaps, duplication, inefficiencies and a failure to invest in preventative work across different parts of the state. As MSAs convene across institutional boundaries, distinctions between local and central actors blur, risking confusion about democratic legitimacy. This is not only a concern for internal arrangements within MSAs but the roles and responsibilities of central actors too. Place-based leadership has not been met with place-based accountability beyond institutional boundaries, slowing progress towards policy innovations like place-based public service budgets, which could offer better coordination

and deliver improved local outcomes.⁴⁵ This is highly relevant to the government's public service reform agenda. For example, early investment in prevention, whether youth services, public health, or community safety, saves money across the public sector as a whole including through fewer hospital admissions, lower demand on police, or reduced long-term social care costs. But because such savings accrue to different institutions than those bearing the upfront cost of prevention, institutional silos do not encourage the joined-up investment that would benefit places overall. A total-place view of public spending makes the full return on preventative investment visible and creates the conditions for institutions to act on it.

The government is taking steps to rebalance this relationship. The development of integrated settlements represents a step toward consolidated funding, reducing the transactional nature of accountability requirements, and the Devolution Act sets a consistent path for MSAs to access it. The creation of the Local Audit Office is the government's most significant intervention in the accountability architecture, designed to provide effective external audit arrangements for local public bodies including MSAs.

However, there are wider deep-rooted cultural and constitutional challenges around financial accountability which are limiting MSAs' agency as effective devolved institutions. Part of this arises from central government's departmental accounting officers (DAO) in central government, who still retain formal responsibility for the stewardship of public money devolved to strategic authorities. These DAOs are personally accountable for how this funding is managed and incentivised to create mechanisms to micromanage rather than build a system that can be trusted overall.⁴⁶ The 10 per cent virement limit between policy areas exemplifies this resistance to local flexibility and control.

This accountability relationship is important and cannot be dissolved. However, in its current form — dominated by financial reporting, outcomes monitoring, and bilateral negotiations along departmental lines — it crowds out other forms of accountability and actively constrains the development of MSAs as autonomous, democratically legitimate institutions. The balance between necessary central assurance and meaningful local autonomy has not been struck, and the result is a system that is simultaneously too complex in its reporting requirements and insufficiently focused on the regularity, propriety, and value for money that should be its primary concern.

4. RECOMMENDATIONS

Devolution offers a new and better way to govern England. Strategic authorities are helping to build an economy that delivers in all places, with local people controlling what matters, and rebuilding trust in democracy. After decades of dysfunctional centralisation, underinvestment, growing inequality, and a remote, distrusted state, the devolution agenda offers real change – an active and strategic local state, and a changed operating culture in Whitehall.

This is the promise of devolution. But if we are to fulfil this promise, we must ensure good governance and accountability. Well-balanced power and democratic legitimacy are crucial. Accountability is not a technocratic compliance exercise nor a justification for Whitehall's hoarding of control. Accountability is the bedrock that makes institutions democratic, legitimate, capable, and trusted.

Today's arrangements are not yet strong enough for what is being built – let alone for the further devolution that should come next. Despite this government's strides forward, there is further work to do.

Below we set out our recommendations, but devolution is about both structures and culture. England's governance has long assumed that accountability only flows down from parliament – in other words, that other institutions exist simply to deliver central priorities locally. This now needs to change: we can have both a functional unitary state and genuinely democratic local institutions. Robust governance will help create the conditions under which devolution can evolve and endure.

Labour's programme should build robust, democratic local institutions

First, it is important to set out distinctive principles that should guide the development of local governance. These five principles show how devolution and local governance can be a significant, progressive project:

1. **Popular sovereignty flows through all tiers of democratic government.** Local and regional elections express popular sovereignty for their competencies and geographies. Accountability arrangements should reflect this rather than assuming central government is the sole source of democratic legitimacy. Democratic

participation should be meaningful so that voters can elect empowered local representatives, whether mayors or councillors, who can shape local conditions, working through the local state as the custodians of public interest and supplemented by direct or participatory mechanisms to deepen engagement. A mature devolution settlement is one that promotes and balances relationships across tiers, built around the idea of mutual respect and recognition. England remains a unitary state, but a confident approach to devolution will establish robust relations and the ability to check and challenge mutually, replacing a hierarchical relationship in which local institutions are subordinate delivery bodies.

2. **Strong executive power demands strong democratic counterweights.** A centre-left programme should be insurgent, creating powerful mayors capable of active government to challenge and improve the status quo in service of their communities, and providing safeguards that prevent misuse of power or maladministration.
3. **Accountability builds institutions the public can trust.** Credible, transparent, democratic, and effective institutions that deliver outcomes the public can see will be trusted. Accountability enables this. Oversight bodies should themselves be democratically accountable, legitimate, and transparent to the public they serve, with operational independence.
4. **Local political leaders are leaders of places, not just of institutions, acting on behalf of the public interest and stewards of public resources.** Marshalling public resources carefully and lawfully with propriety, regularity, and a long-term view of value for money is an obligation on institutions to serve this interest. This also requires that institutions learn and improve over time, improving efficiency, effectiveness, and economic costs through evaluation and accountability. There will also be some desired changes that local leaders cannot effect without wider support, from eg the third sector, businesses, or trade unions; accountability arrangements ought to consider this.

Re-establish oversight for stronger checks on executive power

Oversight, systematically supervising the decisions, spending, and performance of those in power through examination and challenge, is currently lacking in the system of strategic authority governance. Proper oversight can provide more robust, democratic legitimacy and inward accountability, coupled with reforms to official accountability, laying the groundwork for receding central control.

Strengthen local scrutiny committees further to provide robust, healthy challenge to local executive power

The government is rightly reforming the MSA scrutiny system by introducing LSCs with stronger powers in the Devolution Act. It is essential to have robust checks and balances to support strategic authorities to make better decisions. But this now needs to go further.

In regulations and guidance to follow the Devolution Act, the government should:

- Establish a full-time, high-profile and appropriately remunerated chair or scrutiny commissioner to give sufficient attention over a four-year term. They should be elected by the committee to act in a non-partisan way presiding over the LSC.
- Ensure LSCs are composed of local councillors who reflect the geographical and political balance of the constituent councils, and that their positions are appropriately remunerated.
- Offer flexibility and self-direction to LSCs on how they should involve independent experts, recognising their local democratic legitimacy and avoiding specious top-down prescription.
- Allow LSCs to strengthen their analysis by co-opting independent experts as non-voting members. This would have to be carried out in a transparent fashion and capped at 40 per cent of total members.
- Clarify that LSCs' powers to recommend for or against a decision include appointment of commissioners, and that powers to review decisions and performance include all SA bodies including Mayoral Development Corporations.

Beyond regulations and guidance, the government should:

- Provide an independent budget with reference to MSA size and functions, which MSAs could top up, enabling a secretariat directed

by the chair, commissioning independent research, publishing reports and issuing press releases.

- Reconsider the requirement for the chair role to be from a political party other than the mayor's, allowing LSCs to elect their preferred chair democratically. This is especially important considering that there are MSAs where the mayor is in a minority on their board.
- Require LSCs to maintain transparent appointment processes, published terms of reference, and regular independent reviews.
- Promote good working relationships with MSA audit committees and councils, including the chair sitting as an ex-officio member of the MSA audit committee, sharing work programmes between MSA and council scrutiny committees, joint sessions on agenda items where agreed, and an annual report from the chair to the LSC on promoting good stakeholder relationships.

Give EMSAs the power to set up local public accounts committees to oversee central and local public spending

There is an opportunity to drive forward place-based system accountability, improving the effectiveness of how central resources are spent in places.

The government should give the established mayoral strategic authorities (EMSAs) the power to establish local public accounts-style committees (LPACs). These would provide place-level accountability over value for money and public spending across the whole geography and from all tiers of government.

LPACs would be separate to LSCs, with each performing a different but important function. LSCs are designed to provide robust scrutiny over decisions within the institutional boundary of the EMSA. The purpose of LPACs is to face outwards to external public bodies in the geography, ensuring central decisions are sensitive to and integrated within places. These functions are different, and LPACs and LSCs should not be merged into a single committee as has been suggested elsewhere – not least because each of these mandates is already expansive, and merging them would significantly reduce their effectiveness.⁴⁷ Clear terms of reference would help manage cases such as partnerships. This design would allow LSCs to do the broad but detailed scrutiny of EMSAs' decisions and give space for wider discussions on the totality of central government public spending in a place that sits beyond the EMSA boundary through the LPAC.

LPACs should:

- Have rights to information and powers to summon witnesses from public bodies beyond local control, which could be set out in regulations following the Devolution Act.
- Comprise of both constituent councillors and co-opted independent experts.
- Face outward across institutional boundaries rather than duplicating existing internal accountability mechanisms.
- Receive and act on relevant findings from the audit committee and LSC relating to bodies outside the MSA.
- Draw on outputs from the Local Audit Office to inform its work as its capacity develops
- Promote place-sensitive policy and better integration between tiers of government through protocols that ensure findings are formally received by relevant central departments and notified to parliamentary scrutiny.
- Be piloted in a small number of EMSAs before wider rollout.

Localise financial accountability and strengthen official management

The failure to shift accountability out of central government is a barrier to building effective and impactful institutions. Financial accountability should be devolved in recognition of the role of local institutions as stewards of public resources and their democratic legitimacy.

Create tailored local accounting officer roles

Financial accountability is an important part of the wider system of accountability. There are different models across the UK state, including ones that have enabled devolution to evolve and endure. They are summarised in table 1 below.

But MSAs need a bespoke solution – albeit one that draws on lessons from existing arrangements across the UK. Some have suggested that the responsibilities of central governments DAOs (permanent secretaries) can simply be transposed onto mayoral combined authorities,⁴⁸ but this misunderstands the nature both of how those departments work and how financial accountability works across England and the devolved nations. Instead, the LAO model should start with reference to the local government framework from which MSAs emerged, and so retain local partnerships, elected councillor oversight, shared audit practice, and statutory officers. Then, elements of the Welsh model should be considered: the Welsh government accounting officer maintains technical accountability to HMT but is primarily accountable to Welsh institutions through primary

legislation, the Senedd, and external audit.⁴⁹ This model combines strong inward accountability within the Welsh government, robust external audit, and clear frameworks, including legislation and a Welsh version of Managing Public Money setting out how to uphold standards of public administration in that devolved context. This combination provides systemic assurance and confidence both to the Senedd and to the British parliament that funds are being used properly, eliminating the need for direct routine scrutiny by parliament through the public accounts committee. Though still technically an option, records suggest that the Welsh government audit office has never been called to account in the public accounts committee for specific scrutiny about the Welsh government.

This demonstrates how accounting officer conventions can operate with accountability to parliament as a secondary consideration providing they are robustly democratically scrutinised and audited within the system. This is not necessarily to suggest equivalence between MSAs and the Welsh model. We argue that a hybrid, contextualised, and system-wide design approach is the most feasible.

TABLE 4.1 THE UK IS HOME TO A RANGE OF ACCOUNTABILITY MODELS ACROSS TIERS OF GOVERNMENT

Examples of different accountability roles in England and Wales

Agent	Level of government	Primary type(s) of accountability	Accountable for what?	Accountable to whom?	Governed by what?
Departmental accounting officer	UK government	Primarily financial and administrative	Stewardship of departmental public resources, regularity, propriety and value for money, signing accounts, and effective governance systems.	Parliament via the public accounts committee (personally for propriety and value for money of decisions), HMT, departmental minister	Managing Public Money, HMT delegation/DAO letters, departmental frameworks
UK ministers	UK government	Primarily political	Policy decisions, overall department performance	Parliament, prime minister	Ministerial Code, constitutional conventions, Cabinet Manual, legislation
Comptroller and auditor general (and	UK government	Financial	External audit of government accounts, value for money, and supporting	Parliament, public accounts committee	Legislation, especially National Audit Act 1983, Budget Responsibility

National Audit Office)			Parliamentary scrutiny over public spending		and National Audit Act 2011, and the Government Resources and Accounts Act 2000.
Welsh government accounting officer	Welsh government	Financial and administrative	All spending authorised for Welsh Ministers, regularity, propriety, and value for money, signing accounts, and effective governance systems	First minister, Senedd, HMT for use of UK funds	Managing Public Money Wales, UK and Welsh legislation, HMT delegation
Welsh ministers	Welsh government	Primarily political	Policy, overall government and portfolio performance,	First minister, Senedd, Welsh electorate	Government of Wales Acts, UK and Welsh legislation, Welsh Ministerial Code, Senedd Standing Orders
Auditor general for Wales (and Audit Wales)	Welsh government	Financial	External audit of Welsh government accounts including agencies, value for money, supporting Senedd scrutiny	Senedd	Legislation, Welsh legislation, auditing standards
Mayor (MSA)	Strategic authority	Primarily political	Policy, overall strategic authority performance	Electorate, oversight and scrutiny, officers who hold them accountable by law (ie monitoring officer, Section 73 officer)	Legislation, SA Constitution
Council leader	Principal authority (ie	Primarily political	Policy, overall principal	Full Council, electorate, officers who hold them	Legislation, council constitution

	local council+)		authority performance	accountable by law (ie monitoring officer, Section 151 officer)	
Chief executive/head of paid service	Strategic and principal authorities (ie local government)	Financial and administrative	Corporate management and operational delivery, ensuring other statutory officers can discharge duties, effective governance	Full council and leader (Principal authorities), mayor and/or SA board members (Strategic authorities).	Legislation, SA or council constitution
Section 151 officer (principal authority) and Section 73 officer (strategic authority)	Strategic and principal authorities (ie local government)	Financial	“Proper administration” of the authority’s financial affairs, advising on budget and financial risk, Section 114 report if unlawful or unsustainable expenditure likely	Head of paid service external auditor, Full Council (Principal authorities) or SA board (SAs)	Legislation, SA or council constitution, professional codes (CIPFA)
Monitoring officer	Strategic and principal authorities (ie local government)	Administrative and legal	Legality and regularity of decisions, maintaining and applying constitution and codes, investigating and reporting actual/potential maladministration or illegality, ethical standards and member conduct	Head of paid service, Full council (Principal authorities) or SA board (SAs)	Legislation, SA or Council constitution
Local Audit Office	Local and strategic authorities, local bodies in England	Financial	Oversight of local audit system, co-ordination functions, strengthening	Parliament, MHCLG	Legislation, particularly the Local Audit and Accountability Act 2014

			external audit in local government, police, fire and rescue, local NHS bodies, and others as set out in legislation.		
Auditors	All	Financial	Auditing accounts, assessing value for money, reporting weakness in governance or financial management	Relevant legislature (for national auditors), audit boards and organisations (eg NAO)	Legislation, audit codes of practice
Local accounting officer proposal	EMSAs	Financial and administrative	Stewardship of EMSA public resources, regularity, propriety and value for money, signing accounts, and effective governance systems, alongside Head of Paid Service responsibilities as above.	Mayor, SA board, local scrutiny and audit committees, HMT for use of centrally granted funds (through rules, guidance, and systemic accountability)	Legislation, Managing Public Money (in EMSAs), EMSA constitution.

Source: Authors' analysis

The government should create local accounting officers (LAOs) in the EMSAs. When designing such an approach, the government should:

- Designate EMSA chief executives as LAOs, with overall responsibility for good governance processes delegated by HMT and personal accountability for regularity, propriety, value for money, and prudent risk management—delineating mayors' political responsibility and the LAOs' administrative responsibilities clearly.
- Integrate LAOs with strong political oversight, ensuring LAOs are accountable to mayors and the strategic authority board from whom they derive their authority, are scrutinised by LSCs and audit committees as appropriate, publish an annual MSA accountability system statement submitted to the MSA board, and LSCs. The local and Welsh experiences and the evidence base show that official

accountability alone is insufficient without robust scrutiny and audit to underpin it. Internal accountability, and scrutiny within it, must act as a democratic counterweight, scrutinising decisions and priorities. LAOs would not be accountable to the PAC (as DAOs are) but primarily to LSCs and audit committees. Audit committees should remain a mechanism of governance compliance and financial assurance within this system.

- Develop a memorandum of understanding and publish a version of (or addendum to) *Managing Public Money for EMSAs*, recognising that the primary accountability of MSAs is to their electorates. For moneys within integrated settlements or grants to EMSAs transferred under budget cover to the LAO, the LAO should become the accountable person for proper stewardship of the resources devolved. Unlike the local government settlement, this fully relocates accountability out of the centre into the local institution. Section 73 (equivalent to councils' Section 151) officers ensure proper administration of MSA financial affairs, but currently ultimate accountability remains with central government for all funding granted. This LAO model transfers budget cover and accountability to the MSA-level. MHCLG should hold system accountability for EMSAs overall (but not individually), and account for this in their system statements rather than each department doing so individually. Adherence to a contextualised *Managing Public Money* provides for HMT to set standards for the use of central resources.
- Empower LAOs to refer the EMSA to a peer review or to the Secretary of State, who could ask the Local Audit Office to review accounting and audit arrangements; where an LSC requests a referral, require the LAO to set out their reasoning in writing and notify the Local Audit Office.
- Encourage the Local Audit Office (in line with its liaising and stewardship roles) to use its thematic reporting powers to highlight systemic issues that MSAs are facing (which the National Audit Office (NAO) may or may not decide to examine further) and encourage local auditors use public interest reporting powers to highlight major institutional failures which the relevant government department could then bring to wider parliamentary attention. LAOs should be called to direct Parliamentary account only in the event of such a notification. Of course, they could contribute to scrutiny over systemic concerns as witnesses, as is already common in parliamentary scrutiny of local government.
- Require LAOs to serve in a peer review pool to contribute to peer accountability mechanisms and strengthen the overall system.
- Give mayors a power of direction to proceed with a decision if considered poor value for money by an LAO, with the MSA Board and LSC immediately notified and required to discuss and a

notification sent to the Local Audit Office. This power of direction would not apply to duties of a monitoring officer or Section 73 officer.

- Clarify the longstanding local government 'golden triangle' arrangement remains but evolves as follows: a monitoring officer, Section 73 officer, and an LAO with clear boundaries, escalation mechanisms, and no duplication of statutory duties. LAOs should act as an anchor between local and central government rather than infringing on the monitoring officers' legality, standards, and local constitution role or the Section 73 officers' responsibility for proper administration of EMSAs' financial affairs. As part of the 'golden-triangle' approach, these roles should work together, seeking and sharing advice in their appropriate domains, with clear line management relationships up to the LAOs – not a single officer absorbing all responsibilities.

These measures should also enable the government of the day to move to a more standardised, formulaic approach for funding EMSAs at comprehensive spending reviews without the need for intermediary DAOs in the process of devolving funds. They would also permit departments to devolve funding between such spending reviews by transferring budget cover to the EMSA LAOs, as well as allowing for partnership working between MSAs and central government. Westminster will undoubtedly retain a role where some things cannot be fully devolved but need local input; for these cases, models of joint working are already available. For example, a DAO can hold programme-level accountability while an LAO can be accountable for a local project within the programme, governed by a memorandum of understanding.

Broaden and standardise outcomes and enhance local choice

Outcome monitoring is important to get right. Given that strategic authorities will be deploying some centrally raised funding, central government will always seek assurances around outcomes. But in the past, outcome monitoring has been one of the most damaging ways in which the centre has exerted top-down control over devolution. Even now, the bespoke outcomes arrangements for the seven EMSAs with an integrated settlement will become increasingly unwieldy as more EMSAs come online. This runs counter to the intention of the Devolution Act to create more consistent governance and accountability.⁵⁰ As MSAs increasingly raise and deploy local revenues through fiscal devolution, central control will reduce and local accountability will take on primary responsibility for ensuring the effective use of local resources, demanding a strong local capability to determine and evaluate outcomes.

The government should standardise outcomes and enhance local choice. Instead of having specific and bespoke outcomes for every place, they should have standardised but broader outcomes that maximise local flexibility. They should:

- Acknowledge in Managing Public Money that SAs are primarily accountable to their electorates and to their constituent councils.
- Refer to the SA's own strategic plan and the local growth plan as the primary consideration for outcomes.
- Develop a broader, standardised outcomes framework with a wide range of metrics to be finalised and agreed by the Council of Mayors and the government.
- Phase out programme boards for integrated settlements as the LAO and LSC models embed. These boards are rendered unnecessary by the broader systemic accountability provided by the architecture proposed here. These mechanisms provide DAOs means to discharge their accounting duties through a robust accountable system in place of central micromanagement.

MSAs should then:

- Be able to set targets and strategic priorities through their strategic planning frameworks, aligned to key indicators from the standardised outcomes framework and the areas of competence.
- Consult central government on their strategic priorities and subject these priorities to pre-decision local scrutiny and ongoing performance monitoring.

Increase and recognise mayoral legitimacy

Mayors are increasingly powerful actors with growing capacity that these changes would ensure are appropriately scrutinised. Mayors have some of the largest individual democratic mandates of UK politicians and represent the public interest in their places. Mayors, local government, and central government do different things, but each are accountable to the public and democratically legitimate. This fact should underpin a new mutual respect between tiers of government which replaces continued subordination to the centre.

Mayoral legitimacy should be further recognised through a greater role in holding central government to account, by increasing mayoral accountability to councils, and by providing the public a stronger assurance that mayors will act with integrity.

Improve mayors' accountability to their constituent councils

Accountability to other locally elected institutions is a crucial way in which mayors can achieve legitimacy and longevity. Councils have a high degree of legitimacy and responsiveness to local concerns. Councillors are well embedded in their communities and are highly trusted, which is important in bringing their constituents' interests to bear.⁵¹ The integrated nature of the MSA model is a strength and should be deepened.

The government should strengthen this upward accountability. They should:

- Mandate the appearance of mayors in MSAs/EMSAs at least once per municipal year, at any constituent council that requests it, to answer questions from councillors.
- Strengthen the relationship between council scrutiny and MSA scrutiny, including through sharing work programmes, permitted joint sessions, and encouraging relationships between chairs.

Sustain and deepen intergovernmental relationships

England's intergovernmental relations, and the structures that enable them, are evolving. In nations like Belgium, Italy, and Spain, formal relations are legally protected. In contrast, the ways in which subnational political actors in England hold the centre to account is underdeveloped. The rollout of mayors and MSAs has started to shift this, while the creation of intergovernmental councils is an emerging institutional response to a putative multi-level political system.⁵² Meanwhile, relations between MSAs have been deepening through networks and shared political interests. This form of upward accountability, and mutual accountability between devolved institutions, should also be strengthened.

The government should:

- Place the Councils of Mayors, Council of Leaders, and Council of Nations and Regions on a statutory footing, with the right to be consulted on relevant reform proposals.
- Require all MSAs to undertake a peer review to achieve EMSA status, demonstrating good progress in major recommendations and timely reviews thereafter.

Work with strategic authorities to shape and then demand high standards

Standards are crucial for some of the most powerful executives in our system of governance. High standards can mean great success: a mayor operating to high standards, supported by sufficient political capacity, with proper scrutiny over the use of that capacity and genuine bottom-up accountability throughout the system can build a more legitimate and more powerful democratic role for mayors and help shift the whole state towards a more local, accountable, and democratically rooted culture. But poor standards can lead to the opposite: a loss in trust, wasted public money, corruption, and all the pitfalls of political office.

The government should work with strategic authorities to shape and then demand high standards. They should:

- Agree through the Council of Mayors a consistent standards regime for mayors. The government is proposing to strengthen the standards and conduct of elected members in local authorities across England. This should be brought forward in primary legislation, appropriately tailored to include strategic authorities and mayors too. A consistent standards regime for mayors should be agreed through the Council of Mayors.
- Apply a risk-based exclusions model, contextually drawing on the parliamentary model, so that mayors arrested on suspicion of violent or sexual offences are immediately suspended pending a risk-based review by the chief executive, with recommendations to the standards committee on appropriate mitigations until the conclusion of criminal proceedings or the end of the mayor's term.

Endnotes

- 1 Ministry of Housing, Communities and Local Government, English Devolution White Paper, 2024
- 2 OECD, Devolution and Globalisation: Implications for local decision-makers, 2001
- 3 Mykhnenko V and Wolff M, State Rescaling and Economic Convergence, *Regional Studies*, 2017; Rodríguez-Pose, A, and Ezcurra, R, Does Decentralization Matter for Regional Disparities? A Cross-Country Analysis. *Journal of Economic Geography*, 2010; and Tselios, V, Rodríguez-Pose, A, Pike, A, Tomaney, J, and Torrisi, G, Income Inequality, Decentralisation, and Regional Development in Western Europe. *Environment and Planning A*, 2012.
- 4 OECD, Devolution and Globalisation: Implications for local decision-makers, 2001; Pope T, Dalton G, and Coggins M, How can Devolution Deliver Regional Growth in England, Institute for Government, 2023; Johns M and Hutt H, Looking Out to Level Up: How the North and the UK Measure Up, IPPR North, 2023; and OECD, A Comprehensive Approach to Understanding Urban Productivity Effects of Local Governments: Local Autonomy, Government Quality and Fragmentation, 2021.
- 5 Raikes L, The Devolution Parliament: Devolving Power to England's Regions, Towns, and Cities, IPPR North, 2020.
- 6 Espasa M, Esteller-Moré A, and Mora T, Is Decentralisation Really Welfare Enhancing? Empirical Evidence from Survey Data (1994-2011), 2017; and Durmuş, V, Does the Healthcare Decentralization Provide Better Public Health Security Capacity and Health Services Satisfaction? An Analysis of OECD Countries, *Journal of Health Organization and Management*, 2024

-
- 7 Quilter-Pinner H, Statham R, Jennings W, and Valgardsson V, Trust Issues: Dealing with Distrust in Politics, IPPR, 2021.
 - 8 Centre for Cities, Metro Mayors are the Most Recognisable Local Political Figures in their Area, Polling Finds, 2024
 - 9 Raikes L, Equality and Empowerment: A Progressive Proposal for Fiscal Devolution and Economic Development in England, Fabian Society, 2023; and Newman, Warner, Westwood & Kenny 2024 TPI
 - 10 Johns M and Hutt H, Looking Out to Level Up: How the North and the UK Measure Up, IPPR North, 2023
 - 11 Ministry of Housing, Communities and Local Government, English Devolution White Paper, 2024,
 - 12 Harding A and Peake-Jones S, Clarifying the Devolution Dividend, The Productivity Institute
 - 13 Raikes L, Equality and Empowerment: A Progressive Proposal for Fiscal Devolution and Economic Development in England, Fabian Society, 2023; and Newman J, Warner S, Kenny, M, and Westwood A, Rebuilding Local Democracy: The Accountability Challenge in English Devolution, The Productivity Institute, 2024
 - ¹⁴ Greater Manchester Combined Authority, Greater Manchester Local Growth Plan, 2026
 - ¹⁵ Greater Manchester Combined Authority, Economic Growth in Greater Manchester, 2026
 - 16 Raikes L, Equality and Empowerment: A Progressive Proposal for Fiscal Devolution and Economic Development in England, Fabian Society, 2023
 - 17 Rodríguez-Pose A and Gill, N, On the 'Economic Dividend' of Devolution, Regional Studies, 2010
 - 18 Newman J, Warner S, Kenny M, and Westwood A, op cit.; OECD, Devolution and Globalisation: Implications for Local Decision-

-
- Makers, 2001; Tselios, V and Rodríguez-Pose, A, Can Decentralisation Help Address Poverty and Social Exclusion in Europe?, *Territory, Politics, Governance*, 2022
- 19 Eke S and Kaye S, 2025, *Metromomentum: Taking Strategic Authorities from Patchwork to Powerhouse*, Newman J, Warner S, Kenny M, and Westood A, op cit.
- 20 Turner, E, Raikes, L, and Wood, I, *Testing Times; Covid-19 and Devolution in Europe*, The Fabian Society
- 21 Bovens M, *Analysing and Assessing Accountability: A Conceptual Framework*, 2007; and R, Mulgan, *Holding Power to Account: Accountability in Modern Democracies*, Pelgrave, 2003
- 22 Newman J, Warner S, Kenny M, and Westood A, op cit; Bovens, op cit; Raikes L, *Equality and Empowerment: A Progressive Proposal for Fiscal Devolution and Economic Development in England*, Fabian Society, 2023; Billingham Z and Sanford M, *Accountability Matters: Securing the Future of Devolution*, IPPR North, 2025
- 23 Morphet J and Denham J, *Falling Short? English Devolution Policy, OECD Evidence and Constitutional Change*, 2025
- 24 Ministry of Housing, Communities and Local Government, *English Devolution Accountability Framework*, 2023
- 25 Ferry L and Sanford M, *Developing "Place Leadership" when Heirarchical Accountability is Omnipresent: The Case of English Sub-national Government*, 2021
- 26 Ministry of Housing, Communities and Local Government, *Scrutiny Protocol*, 2023
- ²⁷ Greater Manchester Combined Authority, *Independent Review of the GMCA Scrutiny Function*, 2022
- ²⁸ Liverpool City Region Combined Authority, *Review of the Scrutiny Function*, 2025

-
- 29 Ministry of Housing, Communities and Local Government, English Devolution White Paper, 2024,
- 30 *ibid*
- 31 Barnett N, Giovannini A, and Griggs S, *Local Government in England: Forty Years of Decline, Unlock Democracy*, 2021
- 32 Centre for Governance and Scrutiny, *Governance and Devolution: Challenges for a New Government*, 2024
- 33 Treacy L, *Independent Review of the GMCA Scrutiny Function, GMCA*, 2022
- 34 *ibid*
- 35 Paun, A, Pope, T, Fright, M, McKee, R, and Allen, B, *A New Deal for England: How the Next Government Should Complete the Job of English Devolution*, Institute for Government, 2024
- 36 *ibid*
- 37 Morphet J and Denham J, *Trailblazer Devolution Deals: The Next Oxymoron in the Policy Litany of Sub-National Governance in England?*, *Local Economy*, 2024
- 38 Newman J, Warner S, Kenny M, and Westood A, *op cit.*
- 39 Quilter-Pinner H, Statham R, Jennings W, and Valgardsson V, *op cit.*
- 40 Raikes L, *Equality and Empowerment: A Progressive Proposal for Fiscal Devolution and Economic Development in England*, Fabian Society, 2023; and Morphet J and Denham J, *Trailblazer Devolution Deals: The Next Oxymoron in the Policy Litany of Sub-National Governance in England?*, *Local Economy*, 2024
- 41 MHCLG, *Independent Review Report: South Tees Development Corporation and Teesworks Joint Venture*, 2024,
- 42 Williams J, *Teesworks Inquiry Raises Questions on Governance in England's Devolved Regions*, *the Financial Times*, 2 February 2024

-
- 43 Committee of Public Accounts, Whole of Government Accounts 2022-23, 2025
- 44 Ministry of Housing, Communities and Local Government, Local Audit Reform: A Strategy for Overhauling the Local Audit System in England, 2025
- 45 Denham J and Studdert J, Place-Based Public Services Budgets: Making Public Money Work Better for Communities, New Local, 2024
- 46 Morphet J and Denham J, Trailblazer Devolution Deals: The Next Oxymoron in the Policy Litany of Sub-National Governance in England?, Local Economy, 2024
- 47 CFGS
- 48 For instance, Eke S and Kaye S, Metromentum: Taking Strategic Authorities from Patchwork to Powerhouse, Reform, 2025
- 49 Welsh Government, Accounting Officer System Statement, 2024
- 50 Ministry of Housing, Communities, and Local Government, Integrated Settlements Outcomes Frameworks for 2026/27 to 2028/29, 2026
- 51 APSE and Survation, Annual Polling of Councillors and the Public: What Do the Public Think about Public Service Spending and the Economy?, 2025
- 52 McEwen, N, Kenny, M, Sheldon, J, and Brown Swan, C, Intergovernmental Relations in the UK: Time for a Radical Overhaul. The Political Quarterly, 2020; and McEwen, N, Kenny, M, Sheldon, J, and Brown Swan, C, Reforming Intergovernmental Relations in the United Kingdom, Bennett Institute of Public Policy and the Centre on Constitutional Change, 2018