

PUTTING PLACE AT THE HEART OF GROWTH:
HOW EVIDENCE CAN MAKE MULTI-LEVEL
GOVERNANCE WORK
- FINDINGS FROM THE EVENT

LOCAL POLICY INNOVATION PARTNERSHIP HUB

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Introduction

On Sunday, 27 September 2026, the Local Policy Innovation Partnership (LPIP) Hub held a Fringe event at the Labour Party Conference. The speakers at the event included:

- **Des McNulty**, Chair, UKRI Local Policy Innovation Partnership Hub and Honorary Professor, Glasgow Caledonian University
- **Oliver Coppard**, Mayor of South Yorkshire
- **Professor Rebecca Riley**, Director, Local Policy Innovation Partnership (LPIP) Hub, Deputy Pro Vice Chancellor (Regional Engagement) and Co-Director City-REDI
- **Mayor Chris Cooke**, Deputy Chair, Public Service Reform and Innovation Committee, Local Government Association
- **Gayle Boyle**, EPIC Futures Northern Ireland (NI's Local Policy Innovation Partnership)
- **Jack Shaw**, Director, Groundwork Research.

The discussion brought together political leaders, researchers, local government, universities, colleges and organisations working at community and regional level to examine how devolution can contribute to economic growth, public service reform and greater prosperity across different places.

A central message was that **devolution should not be viewed simply as the transfer of powers from Whitehall to mayors or local authorities**. Its value lies in enabling decisions to be taken closer to the communities and economies they affect, while creating the capacity, institutions and relationships needed to turn those powers into better outcomes.

The discussion identified several interdependent requirements: stronger local and regional capacity; distributed leadership; collaboration across institutional and geographical boundaries; long-term place-based economic strategies; better alignment of skills, innovation and investment; appropriate fiscal devolution and equalisation; and a fundamental change in the way central government works with places.

1. Devolution should be about outcomes, not structures

Mayor Oliver Coppard argued that devolution provides an opportunity to give places greater control over the factors that determine their economic and social prospects. In South Yorkshire, he described a strategy focused on building a larger and better-performing economy while tackling the barriers that prevent people from participating in it.

This includes transport, skills, housing, health and employment. The argument was that these issues cannot effectively be addressed in isolation because they interact at the level of the individual and the local economy.

For example, transport investment can improve access to employment and education, while better health and employment support can bring people who are currently economically inactive closer to the labour market. Coppard cited South Yorkshire's investment in trams and buses, including free travel for young people, as part of a wider approach to improving connectivity and opportunity.

He also highlighted the scale of the challenge. A significant proportion of the South Yorkshire population is economically inactive, with ill health an important factor. The response therefore needs to extend beyond conventional employment services to include health, skills, childcare, transport and support for people who are furthest from the labour market.

The wider lesson was that **devolution works best when places are able to join up policy areas around the needs of people and local economies rather than being required to work within Whitehall's departmental boundaries.**

2. Capacity and capability are prerequisites for successful devolution

One of the strongest themes was the importance of local and regional capacity.

Coppard noted that the South Yorkshire Mayoral Combined Authority has around 500 staff but that considerably greater capacity is required to deliver the responsibilities now being devolved. Particular pressures exist in areas such as housing, planning, economic development and programme management.

The discussion stressed that this is not simply a question of increasing headcount. Places need the right **skills, expertise, institutional memory and strategic capability** to develop projects, prepare business cases, manage funding, commission services and evaluate outcomes.

Professor Rebecca Riley argued that many local institutions have become relatively thin over several decades as local economic development capacity has been reduced. The result is a paradox: government may be prepared to devolve money and responsibility, but some places lack the institutional infrastructure required to use those powers effectively.

A number of practical solutions were discussed. These include:

- greater use of secondments between central and local government;
- building stronger professional networks across regions;
- sharing specialist expertise between authorities;
- investing in local analytical and strategic capability;
- ensuring that devolution is accompanied by adequate resources for implementation; and
- developing a more porous relationship between Whitehall and places.

Capacity-building should therefore be treated as an integral part of devolution rather than an afterthought.

3. Distributed leadership and collaboration are essential

The discussion also challenged the idea that devolution is primarily about empowering individual mayors.

Mayoral leadership can provide visibility, accountability and strategic direction, but successful place-based development depends on a much wider ecosystem involving local authorities, universities, colleges, businesses, health organisations, community organisations and other public bodies.

This was described as **distributed leadership**: leadership exercised across institutions rather than concentrated in a single organisation.

The geographical boundaries of different public services can make this difficult. Economic development, skills, health, policing, transport and investment often operate across different footprints. The appropriate geography for one function may not be the appropriate geography for another.

The implication is that devolution should not become another layer of rigid institutional boundaries. Instead, governance should be sufficiently flexible to allow different places to collaborate around particular challenges.

There was also discussion of the potential benefits of collaboration between neighbouring regions. Funding arrangements can sometimes encourage competition between places when greater economic benefits might arise from cooperation. The experience of initiatives such as the Great North demonstrates the potential for places to work collectively where they share economic or infrastructure challenges.

4. Place-based growth should build on existing strengths

A recurring theme was that places should resist the temptation to reproduce the same economic strategy.

The discussion used the development of the Advanced Manufacturing Research Centre (AMRC) in South Yorkshire as an example of the benefits of long-term, place-based investment. Rather than attempting to create a completely new economic identity, the region built on its existing strengths in manufacturing and engineering and developed them into a modern innovation ecosystem involving major companies and research institutions.

The lesson was described in terms of economic complexity: successful local economies often develop by building on existing capabilities and moving into related or "adjacent" activities. This means that places should not all be encouraged to pursue the same sectors simply because those sectors are nationally fashionable. A strategy based on becoming the next Silicon Valley is unlikely to work everywhere.

Instead, places need to understand their own assets — including businesses, universities, skills, infrastructure, supply chains and natural resources — and identify where these provide a credible platform for future growth.

Central government can support this by setting broad national challenges while allowing places to determine how their own assets can contribute to meeting them.

5. Skills policy needs to connect immediate demand with long-term strategy

Skills emerged as another area where national and local responsibilities need to be better connected.

Employers have important information about immediate and emerging skills shortages, but businesses cannot necessarily predict the jobs that will exist ten or twenty years from now. Conversely, education and training institutions need a longer-term perspective when deciding what courses, facilities and expertise to develop.

The discussion therefore supported a combination of:

- real-time labour-market intelligence;
- employer engagement;
- longer-term economic and industrial strategy;
- stronger relationships between employers, colleges and universities; and
- better coordination between skills investment and regional economic priorities.

There was also a broader conception of skills and labour-market participation. Health, childcare, transport and employer practices can all determine whether people are able to work.

This is particularly important for disabled people and those who have been outside the labour market for an extended period. The discussion suggested that substantial "latent" labour-market capacity exists in many places but requires more integrated support to access it.

Local and regional labour-market observatories and better data could help connect national skills policy with the specific circumstances of different economies.

6. Innovation is about adoption and diffusion as well as invention

The discussion distinguished between creating new knowledge and ensuring that existing knowledge and technology are adopted across the wider economy.

Universities and colleges can play a crucial role as anchor institutions, but their contribution should extend beyond research and teaching. They can support business innovation, skills development, commercialisation and the diffusion of new technologies.

The experience of the AMRC was again cited as an example of a university-business ecosystem developing over a long period.

A similar point was made about innovation ecosystems in places such as Middlesbrough, where initiatives that began relatively modestly have subsequently attracted major businesses and created new networks.

However, participants noted that local innovation ecosystems require sustained support. Incubators, accelerators, specialist business advice, grants and "soft landing" support can help firms develop and remain in a region.

There is a particular risk that the loss of previous European funding streams has weakened this infrastructure. Universities should not be expected to fill every gap by diverting resources from fundamental research. Instead, specialist regional structures and properly funded business-support systems are required.

7. Fiscal devolution must be accompanied by equalisation

The discussion recognised the potential benefits of greater fiscal autonomy but also identified significant risks.

If places with stronger tax bases are simply given greater powers to retain and invest their own revenues, existing geographical inequalities could potentially widen. Fiscal devolution therefore needs to be accompanied by appropriate **equalisation mechanisms** and minimum standards of public provision.

There was also concern about the capacity required to manage devolved funding effectively. Greater financial responsibility without the necessary programme-management, analytical and strategic capability could create additional risks rather than improving outcomes.

Devolution should consequently involve both greater local discretion and a clear national framework for equity, minimum standards and accountability.

8. Central government must change alongside local government

A particularly important conclusion was that devolution cannot succeed if only local government changes.

Central government itself needs to become better at working with places. This involves moving away from highly centralised, departmental approaches towards a more collaborative model in which Whitehall departments work collectively with local and regional institutions.

The discussion referred to the need to "rewire" the state. This does not mean simply reducing the size of central government. It means changing how government operates: improving coordination between departments, developing stronger relationships with places, sharing expertise and recognising that national policy will often need to be adapted to local circumstances.

Secondments in both directions could help build mutual understanding. Civil servants would gain a stronger appreciation of the practical realities of delivery, while local government could gain access to specialist expertise and a better understanding of national policy development.

The relationship should therefore be based less on Whitehall directing and local government implementing, and more on **co-design, partnership and shared accountability**.

9. Data and evidence need to underpin devolution

Better use of data was identified as another essential element of effective devolution. Many of the issues that places are trying to address — particularly health, worklessness, skills and social care — require information to be brought together across organisational boundaries.

For example, better sharing of health and social care information could help identify people at risk of deteriorating health, falls or social isolation and allow earlier intervention.

This raises important questions about data governance, privacy and accountability, but the broader principle is that **devolution without access to the necessary evidence will limit the ability of places to make effective decisions**.

Local and regional institutions therefore need both the analytical capability and the data infrastructure to understand their populations, evaluate interventions and learn from experience.

10. Devolution must work for rural and less metropolitan places

The discussion emphasised that devolution should not become synonymous with metropolitan governance.

Rural and coastal communities face different challenges, including transport connectivity, access to services, recruitment and retention of skilled workers, housing, childcare and the ability to achieve sufficient scale.

The underlying principles of place-based development remain relevant, but the solutions may look different.

This reinforces the case for flexible governance arrangements rather than a single model imposed uniformly across the country. Rural places may need to collaborate across larger geographical areas to achieve the scale required for particular functions, while retaining strong local accountability.

Conclusions

The discussion pointed towards a model of devolution that is **long-term, place-based, collaborative and focused on outcomes rather than institutional structures**.

Several principles emerged:

1. **Devolution should be judged by what it enables places to achieve**, rather than simply by the number of powers or funding streams transferred.
2. **Capacity and capability must accompany responsibility**. Local institutions need the people, expertise, data and resources required to exercise new powers effectively.
3. **Leadership should be distributed**. Mayors and strategic authorities have important roles, but successful place-based growth depends on universities, colleges, businesses, councils, health bodies and communities working together.
4. **Different functions may require different geographical scales**. Governance should enable collaboration rather than forcing every service into a single footprint.
5. **Economic strategies should build on distinctive local assets**. Places should develop from their existing capabilities rather than competing to replicate the same economic model.
6. **Skills policy needs both market intelligence and long-term planning**, with stronger links between employers, education providers and regional economic strategies.
7. **Innovation policy must support diffusion and adoption as well as research and invention**, ensuring that new technologies and knowledge benefit businesses and communities more widely.
8. **Fiscal devolution requires equalisation**. Greater local financial autonomy should not undermine national commitments to equitable public services and opportunities.
9. **Central government must adapt as well**. Devolution requires a different relationship between Whitehall and places, based on partnership, co-design, shared expertise and greater cross-government coordination.
10. **Evidence, data and learning are fundamental**. Places need the capacity to understand local economies and populations, assess what works and share lessons with other areas.

Overall, the discussion suggested that the success of devolution will depend less on the institutional architecture alone than on whether it creates **a more capable, collaborative and adaptive system of government**. The objective should be to combine national strategic direction with local knowledge and delivery capacity, enabling different places to develop solutions that reflect their own economic, social and geographical circumstances.

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