

WHY DEVOLUTION MATTERS: THE CASE OF CORNWALL

YTH ON NI A'N LE MA – WE ARE OF THIS PLACE

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INTRODUCTION

From Covid-19 to Brexit to long term climate change, the complexity of the challenges the UK now faces means that the centralised system of government at Whitehall is no longer fit for purpose. Without a renewed commitment to devolution for all of the nations and regions which make up the UK, the government will fail to meet its promises to build back better and level up. More seriously still, we face the prospect of a disunited kingdom.

The UK is one of the most economically divided countries in the developed world; it is also the most centralised (CEJ 2018, Raikes and Giovannini 2019, McCann 2019, UK2070 2020). This is not a coincidence. Research shows that where you live in the UK determines your ability to live a “good life” (Johns et al 2020). However, it has been the metro mayors, local government, civil society and business which have proved most agile and responsive to the challenges and impacts of the Covid-19 pandemic. Similarly, while central government may try to claim the credit, the recovery will be led by those same organisations. They know their communities best and are already deploying their limited resources, creativity and collaborative capital to rebuild local economies, support those who are out of work, and co-ordinate the recovery of people and place. But all of this is done in spite of the best efforts of Whitehall – not because of them.

In this paper, we examine why devolution matters by examining the case for stronger devolution to Cornwall. We argue that in areas like Cornwall, devolution

has the potential to transform our response to future challenges. A commitment to real devolution should form the basis of a shared future for all of us who live in on these islands.

Cornwall was the first non-metropolitan area with a devolution deal in England, and it remains the only one. It was among the first areas to secure a devolution deal in 2015, and its deal was unique in that it did not require the election of a metro mayor. The debate on devolution in Cornwall has now had six years to develop. In this document we examine how dynamics of identity, difference and rurality have influenced devolution and its development in Cornwall and what can be learned from this experience for devolution in the future.

The government has committed to publishing their long-awaited *Devolution and Recovery White Paper* within the next twelve months as part of their plan to level up (HM Treasury 2021). In this briefing paper we examine the case for turbo charging devolution in the UK, including in areas like Cornwall, by examining a series of key questions for the forthcoming devolution white paper. We propose that only a renewed commitment to devolution in England, alongside a strengthening of devolved powers in the devolved nations and regions, can secure a united future for the UK.

UK DEVOLUTION – WHAT PROGRESS HAS BEEN MADE?

Devolution in the UK has been a recurring but inconsistent theme of UK politics during the last twenty years. At the turn of the century, devolution was rolled out to Scotland, Wales and Northern Ireland by the New Labour government. This led to the establishment of elected assemblies in each of the three areas. Of these, Scotland is furthest advanced. In 2021 almost half of its budget will come from taxes raised in Scotland (Commission on Economic Justice 2018).

Despite devolution to the nations, economic and social policy making in England has remained highly centralised and ruled almost entirely from London. Unlike almost every other developed economy, there is no regional tier of governance in England. During the last six years there has been an incremental move towards the creation of devolution deals in England of which there are now ten, most of which are based around a metropolitan area. Nine of these areas also have metro mayors, whose growing influence has led to calls for a fairer sharing of power across the country. These calls have been amplified by the imperative of recovery from the Covid-19 pandemic. Cornwall successfully negotiated with government to become the first non-metropolitan area to secure a devolution deal, which was signed in 2015 (Cornwall Council 2015).

These deals were first introduced under the Coalition government as part of their policy of “unlocking growth in cities” to help “drive economic growth” in the future (HM Government 2011: 1). It drew on an implicit assumption held by successive governments that the best way to support regional and national growth was to focus on the most successful and dynamic city economies, rather than on places perceived to have low growth potential (Cox and Longlands 2016, Rodríguez-Pose 2017). This emphasis on city-led growth means that Cornwall is the exception rather than the rule.

The challenges of peripherality are not new. In 2002 a report on the potential for devolution in Cornwall noted that “Cornwall suffers from what might be called ‘institutional peripherality’” (Cornish Constitutional Convention 2002). Many of the institutions that develop economic and social policy, including government departments and agencies, are located outside Cornwall and have neither the scope nor the remit to pursue policies specifically relevant to Cornwall. They seldom recognise Cornish issues as a peripheral region, and their distance from Cornwall makes effective communication difficult.

In recent years there has been a growing sense of frustration at the slow pace of devolution in England. Without a clear devolution framework, the process and speed of change have been largely dictated by central government. At the same time the majority of economic powers remain firmly with Westminster, leading many to think that what we have is more akin to decentralisation or delegation rather than true devolution of power and resource (Raikes, Giovannini and Getzel 2019).

HOW CAN DEVOLUTION SUPPORT BETTER SERVICES AND A STRONGER ECONOMY?

Cornwall is a diverse place of towns, villages, coast and rurality with a population of 571,500 people (Nomis 2021); it has sometimes been characterised as an “exploded city”. Devolution in Cornwall has provided an opportunity to design local policy solutions to meet the place specific challenges of the area’s rural and often remote communities (Cornwall Council 2020b). An independent evaluation of devolution across the eight areas of England with devolution deals¹ (Warwick Economics 2020) found that Cornwall has one of the strongest track records in using its devolved powers to deliver benefits for the region, and is advanced in its use of civic participation and local governance.

Place leadership: As the UK navigates a new relationship with the rest of the world, strong subnational leadership of place provides an ideal opportunity to support economic development, including the growth of new markets, attracting inward investment, and the promotion of trade relationships. This was a major theme of the Northern Powerhouse and Midlands Engine initiatives; it also strongly characterised Boris Johnson’s tenure as Mayor of London. In Cornwall, further devolution would provide opportunities and capacity to amplify the place leadership work which is already well-developed, including the Celtic Sea Collaboration, the Conference of Peripheral Maritime Regions, the Memorandum with Taiwan and the very strong historical and modern links between Cornwall and Brittany. Recently Cornwall was acclaimed by UNESCO for its “world leading” management plan for the historic mining landscape.

¹ These areas are Cambridgeshire and Peterborough, Cornwall, Greater Manchester, Liverpool City Region, Tees Valley, West of England, West Midlands and London (with the Greater London Authority, London Assembly and London Mayor’s Office).

Collaborative leadership: A hallmark of Cornish Devolution has been the establishment of the Cornwall and Isles of Scilly Leadership Board², the area's alternative to the mayoral combined authority model. This has become a powerful place-based alliance of key leaders and decision makers from across Cornwall and the Isles of Scilly's public and private sectors. Commentators have suggested that the forum provides an important governance model for other rural areas and is already "delivering significant impact" (UK2070). However, if it had the same capacity as some of the mayoral combined authorities, it could undoubtedly do more.

Opportunities to have different conversations with partners: Securing additional funding, powers and authority helps to disrupt the status quo, which in turn can provide new momentum for change and enable leaders in places like Cornwall to have different conversations with partners which can lead to different outcomes.

The flexibility to better shape and design people-centred services to address local priorities: Cornish devolution has enabled the establishment of Transport for Cornwall which has full bus franchising powers. Cornwall has used the devolution deal to increase bus patronage against a backdrop of national decline in the use of bus services, leveraging £17m of private sector investment into the network. As a result Transport for Cornwall has delivered a fully integrated public transport system with smart ticketing, the first example in a rural area of England. However, some important powers in relation to transport remain in the hands of Whitehall; for example, the Tamar Bridge remains managed by the Department for Transport.

Greater local control of resources: Once again, this affords local leaders greater flexibility to make the most of local opportunities. For instance, Cornwall Council's Intermediate Body status meant that calls for funding can be issued using priorities agreed locally rather than nationally. One example is the call for funding to explore geothermal energy; this led to a geothermal drilling project which discovered a significant supply of sustainable lithium, an outcome that would not have been secured using national priorities.

The opportunity to support double devolution: Cornwall have placed significant emphasis on the idea of "double devolution", in which the Council and its partners support the devolution of power from the Leadership Board to local communities. Double devolution recognises the importance of strong and distinctive local communities in Cornwall, and a long-term belief in the importance of localism which predates the current devolution deal. To date there are multiple examples of successful double devolution. These include the devolution of £1m of highways funding over four years to community networks,

² Comprising MPs, Cornwall Council, Council of the Isles of Scilly, Police and Crime Commissioner, Cornwall Association of local councils, Kernow Clinical Commissioning group, Cornwall Chamber of Commerce, Cornwall health and Wellbeing Board, Cornwall and the Isles of Scilly Local Enterprise Partnership, Cornwall and the Isles of Scilly Local nature partnership.

support for more than one hundred communities to gain planning powers through neighbourhood planning, and many cases of “asset transfer” where assets and services are placed in community control. The latter has seen all of Cornwall’s libraries remaining open with increased footfall and use, despite the budget having been reduced by more than half.

Greater responsiveness in a time of crisis: The Covid-19 crisis has demonstrated the value of the devolved model, in contrast with a centralised “one size fits all” approach which by its very nature is reductive and generic. During successive lockdowns, devolved authorities have demonstrated an ability to work together to deliver swift and effective interventions to meet urgent need, to pool intelligence and data on impacts, and to lobby central government for support. In addition, local knowledge has enabled the design and distribution of tailored advice and guidance.

Strengthening of local participation and accountability: Evaluations of devolution have identified how Cornwall has placed significant emphasis on widening participation in decision-making and local democracy.

HOW CAN DEVOLUTION SUPPORT BETTER SERVICES AND A STRONGER ECONOMY?

Despite the progress made, Cornwall has now outgrown its current devolution deal. What is needed is a significant strengthening of devolution arrangements through legislative change in Westminster, setting Cornwall on the path to true devolution on an equal basis with Scotland, Wales and Northern Ireland.

Devolution is a work in progress across the UK. The devolution white paper should initiate an ambitious programme of change for a new relationship between the centre and the rest of the country.

As a minimum this should include:

- Devolved allocation of £700m UK Shared Prosperity Fund investment for Cornwall to manage and distribute based on local rather than national priorities.
- A pilot for devolution to support the natural environment, giving Cornwall local control over the environmental powers and resources to deliver its Local Nature Recovery Strategy, to build sustainable responses to the climate and ecological crisis.
- Fiscal devolution including the ability to tax second homes, retain 1 per cent of VAT in the visitor economy and retain 100 per cent of business rates. There is also interest in the development of a VAT escalator scheme to incentivise VAT registration.
- Pilot schemes of innovative responses to health and social care in a rural context. Having introduced the award-winning Tri-Service Safety Officers, bringing together fire, police and ambulance emergency response roles, Cornwall seeks to pilot a similar approach to combine the duties of an on-

call firefighter with the caring and support responsibilities of social care outreach.

- A net zero innovation pilot scheme trialling a replacement for European Local Energy Assistance (ELENA) funding. This should take the form of a £1m locally managed fund to create a team of six or seven experts for three years to unlock more than £30m wide ranging renewable energy investments and generate a 20-year revenue stream to sustain the team.
- Devolved allocation of a multi-year adult education and skills budget with flexibility to deliver these services to meet local needs and priorities.

Ultimately, real devolution must come with the powers for areas like Cornwall to flex their economic muscles differently depending on local circumstances and drawing upon the expertise and knowledge of local practitioners and leaders.

Cornwall's 2015 Devolution Deal

The devolution deal agreed between central government and Cornwall Council and its partners in 2015 included the following specific priorities:

- Bus franchising powers (by 2018).
- Greater authority over adult education including apprenticeships.
- Intermediate Body Status for EU funding including the European Regional Development Fund (ERDF) and the European Social Fund (ESF).
- Greater say over stronger integration and tailoring of business support services in Cornwall.
- Devolved authority to explore the establishment of a low carbon enterprise zone and tailored scheme for improving energy efficiency in Cornwall's housing stock.
- Business plan for the integration of health and social care.
- More joint working to make more efficient use of the public estate via the One Public Estate Initiative.

HOW DO IDENTITY AND DIFFERENCE INFLUENCE CORNISH DEVOLUTION?

The devolution deal in Cornwall is distinct from those agreed in other parts of England. Firstly it was implemented without the need for a metro mayor, which was a condition of the other devolution deals agreed at the time (most notably in Greater Manchester). The deal was negotiated with Cornwall Council, a unitary authority which has remained as such, while the other areas with devolution

deals have established combined authorities³. Cornwall is also the first and only exclusively rural area to negotiate a devolution deal with central government.

Within the administrative hierarchy of modern England Cornwall's deal is – technically – an example of devolution to a region or county. However, it was agreed following the presentation of *The Case for Cornwall*, which linked the call for greater devolution with Cornwall's geographical, cultural and economic distinctiveness (Cornwall Council 2015). The economic benefits of devolution in this case could be strengthened by a widespread, coherent and deep-rooted sense of "Cornishness". Identity can be a contested and problematic issue for devolution elsewhere in England. For example, in Yorkshire repeated attempts to secure a Yorkshire devolution deal faltered to a large extent because of identity issues, until compromise was eventually agreed via the West Yorkshire deal. Cornwall offers an opportunity for English devolution to work positively with local identity (Willett and Tredinnick-Rowe 2016).

In fact some aspects of Cornwall's history and culture resemble those of the UK's devolved nations rather than England's counties and regions. Physical isolation and linguistic and cultural differences meant that Cornwall kept some separation from the rest of England until the Tudor period (Rowse 1941), retaining "many of the marks of a separate country" for centuries after it was technically absorbed into the Anglo-Saxon kingdom (Stoyle 2017). The intervening years brought a series of events that stressed these differences.

This long history is realised in many powerful ways, social and political, in modern Cornwall (Cornwall Council 2015). For example, the Cornish were formally recognised as a minority status by the UK government in 2014, on the basis of Cornwall's "unique culture and distinctive language". This set Cornish identity alongside "the UK's other Celtic people" in Scotland, Wales and Northern Ireland (UK Government 2014), giving the people of Cornwall the same rights and protections as the Scots, Welsh and Irish (Cornwall Council 2014). However, somewhat ironically, Cornwall does not yet have devolved responsibility for promoting the Cornish language and relies on central government ministers to speak on its behalf (Cornwall Council 2020b).

In the 20th and 21st centuries, the Cornish language has enjoyed a widespread revival. As well as widespread learning of Cornish and a growing modern Cornish literature, this includes use in official signage and documents and formal recognition (in 2002) by the Council of Europe's Charter for regional or minority languages. The cultural heritage of Cornwall is widely celebrated through active movements such as Gorsedh Kernow, whose aims is to "maintain the national

³ A combined authority is a "mechanism whereby local authorities associate voluntarily for the purpose of taking over particular responsibilities that are beyond their individual jurisdictional or technical competence. In becoming a combined authority, the individual local authority does not lose control over its existing powers" (Parr, 2021). The Combined authority is overseen by a directly elected mayor, sometimes referred to as a "metro mayor".

Celtic spirit of Cornwall” through its history, arts and sport, and stronger links to other Celtic nations (Gorsedh Kernow 2021).

Modern Cornish identity is complex, with deep roots and evolving narratives (Deacon 2007) as well as challenges that range from economic uncertainty to the “commodification” of local culture (Kennedy and Kingcome 2007). A vivid awareness of Cornwall’s past sits alongside new articulations of “Cornishness” by younger generations (Deacon 2009). What is clear, however, is the strength of feeling. In the 2011 Census, nearly 14 per cent of Cornwall’s population (73,220 people) stated their *national* identity as “Cornish”, with almost one in ten (9.9 per cent) identifying as “Cornish only” (Cornwall Council 2013).

This is the same percentage as the proportion of Welsh residents who identified as “Welsh” in the 2001 Census, when only a write-in option was available. When a formal tick box for Welsh nationality was introduced in 2011, 67 per cent of people in Wales chose this option. However, people identifying as Cornish have only a “write in” option in the 2021 Census, rather than a “Cornish” tick box. In the most recent pupil census, over half of primary and secondary school students in Cornwall identified as “Cornish”, a figure that has increased steadily since 2007 (BBC 2012, Cornwall Council 2020c).

The concept of identity and its relationship with devolution is complex. Many areas of England feel radically different from each other, for example, the North of England can seem to occupy a different political, cultural and economic space in comparison with London. Identity can provide a strong sense of cohesion and belonging, but this does not always align with what are referred to as “functional economic geographies”. Cornwall’s geographical situation and cultural distinctiveness, coupled with a powerful sense of identity, make it a unique case for how the way people feel about place relates to the economic and social realities of living there.

This is reflected in enthusiasm among Cornish residents for further devolution of powers. When the proposal for a regional assembly was first put forward, this was backed by the requisite proportion of the Cornish population, and a 2019 survey by Warwick Economics showed that almost two in three people in Cornwall agreed that too many policy decisions affecting their local area were made outside it. One of the most prominent themes to emerge from Cornwall Council’s 2020 listening campaign, which sought to hear from residents about “The Cornwall We Want”, was the desire for a future in which more decisions about Cornwall are made in Cornwall (Cornwall Council 2020c).

Opportunities for the Cornish economy

Cornwall is a region of many opportunities associated with its distinctive geography and history. These bring together timeless aspects of the landscape and centuries of human experience with cutting-edge scientific and social innovation. Cornwall's plans for economic development include detailed explorations of these opportunities. With further devolution of powers, and appropriate investment in research and development, skills and entrepreneurship, these have the potential to transform Cornwall's economic fortunes and help secure an environmentally sustainable future.

Some key examples (this is not an exhaustive list) include:

The marine and maritime sector. Cornwall's maritime and marine sector is estimated to have more than doubled in size between 2008 and 2018, to a total value of £1.1bn. It is recognised as innovative and entrepreneurial, with the potential for continuing and increased high growth (Marine-i 2021). However the sector faces challenges including an urgent need for specialised skills development and premises (Pye 2018). Maritime and marine businesses operate right across Cornwall's coastline and further growth in this sector can interact with other opportunities discussed above and below.

Industries associated with Spaceport Cornwall. The development of the UK's first horizontal satellite launch facility and a cluster of associated industries builds on Cornwall's involvement in satellite and space technologies since the early 1960s (SpaceCareer.uk). Using existing infrastructure such as the Goonhilly Earth Station, the project has the potential for substantial direct and indirect job creation, and for attracting associated businesses to the region (Cornwall Council 2019b).

Support for research, innovation and entrepreneurship to address national and global challenges. Cornwall's unique geography and demography make it an ideal location for research and development in decarbonisation, sustainability, connectivity, and the issues of an ageing population. These industries will be especially important in the aftermath of the Covid-19 pandemic (Collins 2020).

Partnership working to support innovation for economic growth is already well-established within Cornwall, and future projects can build on existing initiatives that bring together local government, business, communities, and higher education stakeholders such as the Institute of Cornish Studies at Exeter and the Combined Universities Cornwall group.

Examples include:

- Renewable energy generation. Cornwall is "one of Britain's leading counties" in the generation and use of green energy, with 37 per cent of energy used coming from renewable sources and innovative forms of community ownership in the green energy field (Energy Saving Trust 2020). Looking forward, there is the potential for significant jobs growth in this sector. Cornwall Council's planning and economic growth strategies stress the use of Cornwall's natural resources for wind, solar, geothermal and wave power, as well as

the development of battery and other associated technologies (Cornwall Council 2021) Agricultural technologies, building on Cornwall's climate and its substantial agricultural sector and knowledge, to make agriculture more sustainable and productive (see for example Agri-Tech Cornwall 2021). In particular there are opportunities to develop innovative approaches to sustainable and healthy food supply in an era of climate change and new international trading relationships.

- A growing body of research into the relationship between the natural environment and health, for example the SWEEP project (SWEEP 2021), a collaboration between Exeter Unii and Cornwall Council on biodiversity, health and wellbeing (Beyond Greenspace 2021) and Cornwall's involvement in the pan-European BlueHealth project (BlueHealth 2021). These can form the basis for further entrepreneurship and economic development, as well as positive social change.
- Lagas (Lagas 2021), a hub that brings together and maps resources to help stakeholders engage with Cornwall's environmental and economic development.
- Tevi (Tevi 2021), which provides consultation, opportunities and grant funding for small and medium-sized enterprises in Cornwall to grow their businesses while becoming more efficient and sustainable.
- The Exemplarnet initiative (ExeMPLaR 2021), a multidisciplinary research project at the University of Exeter addressing ways to reduce plastics waste and find innovative solutions to plastics pollution.

Arts, culture and heritage. Cornwall has an exceptionally vibrant cultural life and a wealth of heritage and history. Organisations within Cornwall have been securing funding to develop these, through innovative projects and partnerships which both generate economic revenue and job opportunities, and enrich community life. For example, the place-based FEAST initiative is tailored to the context of a rural and highly dispersed region. (Cornwall Council 2019a). Other key heritage assets include the Mining World Heritage Site (Cornish Mining 2021) and the Eden Project. Culture and heritage can play an important role in building sustainable year-round economic activities within Cornwall.

Domestic tourism in a post-Covid-19 world. Tourism has a major role in Cornwall's economy, with wide-ranging impacts for the regional labour market as well as the landscape, housing market and infrastructure (Collins 2020; 32.8 per cent of jobs are in the retail and hospitality sectors and £2bn is spent annually by visitors to the county (CIoS LEP 2020).

The Covid-19 pandemic has substantially disrupted these industries, and further challenges due to continuing infection control measures during 2021 will demand innovation and new approaches. These may include opportunities to build a green visitor economy offering sustainable culture- and experience-led hospitality providing high-quality work all year round.

THE CHALLENGE OF INEQUALITY FOR CORNISH DEVOLUTION

Cornwall's unique landscape and rich culture are undoubted assets. Their intrinsic value is important to the identity and quality of life in Cornwall's communities as well as its economic prospects. Cornwall is rightly celebrated for its natural beauty and enthralling heritage. But these very factors can contribute to an "idealisation" of Cornwall (particularly among people who do not live there) in which some very real challenges are ignored. Alongside idyllic holiday settings and dramatic backdrops for TV drama, Cornwall faces challenges including poverty in some of its communities, and the risk of a widening gulf between its affluent citizens and those who struggle to attain a decent standard of living.

Cornwall is not a poor region but like many rural and coastal areas in England it is a region where too many people are poor. Average scores from the Index of Multiple Deprivation for England (IMD) place Cornwall just inside the most deprived third of English local authorities overall. While deprivation levels are not comparable with some urban areas in London and the north and midlands, life for too many people is some way from a rural idyll. This brings inevitable social challenges, especially where social conditions vary sharply within a very small geographical area. A common pattern (again common to many coastal areas with an active tourist industry) is that of low deprivation close to the coast and in sought-after destinations for visitors and second home owners, with high rates of deprivation in immediately neighbouring areas slightly further inland.

Opportunities to work and earn have an important role in alleviating this. 14 per cent of small areas (LSOAs⁴) in Cornwall fall into the most income-deprived fifth of small areas in England, and 19 per cent fall into the fifth with the highest levels of employment deprivation (all figures from MHCLG 2019, authors' calculations). Around a third of children live in relative income poverty⁵ in some Cornish parliamentary constituencies, a rate comparable with post-industrial areas in the north of England (Campaign to End Child Poverty 2020). And although health is good overall, the impacts of Cornwall's pockets of poverty and inequality can be seen in rates of suicide and alcohol-related illnesses and death that are above than the English average (Public Health England 2021).

Median gross annual income for employees in Cornwall is the lowest in the South West of England, at £20,710; this compares to £24,000 across the South West region and £26,000 across England. This figure rose by just 1.8 per cent between 2019 and 2020, compared to 3.4 per cent across the wider South West and 3.6 per cent across England (ONS 2020a).

⁴ Lower-layer Super Output Areas (LSOAs). These correspond roughly to a very small neighbourhood, and generally have between 1000 and 3000 residents of all ages, living in between 400 and 1200 households. Current calculations use the LSOA definitions based on the 2011 Census, which identifies a total of 32,844 LSOAs in England and a further 1909 in Wales.

⁵ Defined here as living in a household with less than 60 per cent of contemporary median income after housing costs.

Cornwall's employment rate is strong. In the year to October 2020, unemployment (at 3.4 per cent) was a little below the English rate (4.2 per cent); the economic inactivity rate (20.7 per cent) was a little higher (ONS 2021a). However, the latter includes a relatively high proportion of people who are inactive due to long-term sickness (34 per cent of economically inactive people who are not students), as well as of people who are "discouraged" (3.2 per cent of non-students, compared to 0.7 per cent nationally and 0.7 per cent across the South West). 15.3 per cent of households including someone of working age are "workless", compared to 13.9 (GB) and 11.8 across the South West (all figures from the ONS 2021a).

The profile of employment in Cornwall also suggests comparatively high rates of precarious or lower-paid employment. Many jobs are seasonal, dependent on tourism or agriculture. Employment in elementary occupations, sales and customer services, and caring, leisure and other services is high; these sectors have relatively low wage levels (ONS 2020a) and high rates of zero hours contract working⁶ (ONS 2021b). High levels of self-employment (ONS 2021a) almost undoubtedly reflect a vibrant entrepreneurial culture, but may also include some people who work on this basis because they have little alternative.

The latest figures for the proportion of the population claiming unemployment benefits (an early indicator of the impact of Covid-19) showed 5.5 per cent of Cornwall's working age population accessing support of this kind, compared to 6.3 per cent across England. The region is doing better than the country as a whole, although the rate across the wider South West is 4.8 (ONS 2021c). Given relatively low job density (with 0.85 jobs per working age adult, compared to 0.91 across the South West, ONS 2021a)) recovery post-pandemic could be challenging. Cornwall may benefit from an increase in domestic tourism as lockdown restrictions are eased but international travel remains restricted.

For people who cannot find work, or work that pays sufficiently, costs of living are crucial. As in many rural areas, the supply of affordable housing is an issue in Cornwall. Both buyers and renters face an "affordability gap" between incomes and the cost of a decent home. In 2020 the ratio of the median house price to earnings was 8.7, compared to 7.8 across England⁷ (ONS 2020b). Upward pressure on social rents and the impact on the supply of properties of the second home market have led to "one of the biggest issues of affordability [in the country]" (Hollander 2019). Along with the costs of travelling long distances in a rural area to access work or training, day to day expenses can become difficult to manage – especially on a low and unpredictable income.

Despite improvements thanks to co-ordinated local action, Cornwall's housing situation remains challenging. Demand for second homes and holiday rentals has pushed up prices particularly in seaside and holiday areas and impacted on

⁶ 22.2 per cent of people working in the accommodation and food sectors are on a zero hours contract, as are 31.7 per cent of people in elementary occupations and 19.7 per cent in caring, leisure and customer services (ONS 2021b).

⁷ Figures for existing properties only.

communities where many properties lie empty for long periods. Some of the most popular tourist destinations saw second homes account for around a quarter of all house sales in 2018 (Wilkinson 2018).

A 2016 referendum saw more than 80 per cent of voters in St Ives back a local plan stipulating that new-build housing projects could only receive planning permission if they were reserved for people who live full-time in the area. Subsequently several other towns incorporated a similar proposal in their draft neighbourhood plans (Knight 2016).

Partnership working, led by local government and engaging a range of stakeholders, has been important in addressing Cornwall's housing issues. For example, until 2017 Cornwall was among the "top ten" English local authorities for rough sleeping. Proactive and place-based responses have helped to reduce this by an average of one third a year between 2016 and 2019 (Young 2020).

Cornwall has many skilled and well-qualified residents, but increases in skills levels are key to economic growth and better job prospects. In the working-age population a lower proportion of people have no qualifications than across England as a whole, but the proportion of people qualified to NVQ level 4 or above is a little lower (ONS 2021a). Qualification rates among young people are also lower than across England. Among 16-24 year olds in Cornwall 23.6 per cent have no qualifications or are qualified only to NVQ Level 1; this compares to 18.9 per cent of the same age group nationally (ONS 2021a).

HOW CAN DEVOLUTION HELP AREAS LIKE CORNWALL NAVIGATE A NEW ERA OF CHALLENGE?

Over a year ago the Covid-19 pandemic arrived in the UK and ushered in a new politics of crisis, just months after the election of a new government. Covid-19's tragic impacts have exposed the UK's social and economic inequalities and put huge pressure on both the NHS and public health systems. Resilience and responsiveness in the face of the pandemic were constrained following a decade of austerity (Johns 2020; Thomas et al 2020). And this crisis unfolded in the midst of another – the ongoing and increasingly acrimonious split from the UK from the EU. In an era of globalisation and climate change, crises will become more common, yet our centralised state is not sufficiently agile or creative enough to respond effectively.

Crises require political leaders to "make high stakes decisions under conditions of threat, uncertainty and time pressure" (Lipsy 2020: 1). This circumstance has triggered a centralising reflex in Whitehall, and the previous momentum around devolution, particularly in England, has ebbed away (Kenny and Kelsey 2020). Politically centralism makes sense because the ruling party can take the credit for new initiatives and local improvements. But from a practical perspective, it disempowers local areas and divests communities of their agency. This state of affairs generates widespread distrust of the political system and means that people feel less and less "in control" of the decisions that directly affect their lives (Cox 2018). Arguably, such a sense of powerlessness contributed to the outcome of the 2016 referendum on EU membership.

Centralism is also problematic in the UK because it encourages “siloed” thinking in departments responsible for different areas of policy. This is exacerbated by the power of the Treasury, which in turn triggers competition for resources and powers between departments (Cox et al 2014). At the same time it reduces incentives for co-operation and sharing of information and data, limiting opportunities for innovation and creativity. It can also result in a skewed pattern of public investment, favouring areas which reflect the central government priorities rather than local need. For example, analysis of transport expenditure in the UK shows that per capita expenditure on transport in areas like London is more than twice as high as the North of England (at £739 annually, compared to £305). It is not possible to identify Cornwall’s share of transport investment but the figure for the South West is approximately £300 per capita annually. When planned expenditure is considered, IPPR North analysis has shown that the South West comes out as the region with the third lowest planned investment⁸ at just £651 per capita compared with £892 in the South East, £3636 in London and £2692 in the West Midlands (Raikes 2019).

By contrast devolution enables regional and local policymakers to consider policy development and challenges through the lens of a particular place (such as Cornwall). This can incentivise decision-makers from different policy areas to work together in partnership in the common interests of place. But place is not just about a specific location or landscape; it is also a way of “seeing, knowing and understanding the world”. Devolution that is grounded in this notion of place provides a unique insight into regional and local challenges and opportunities, and how they can be addressed. Such a place-based logic also provides way to understand and manage the increasing complexity of people’s lives. National frameworks and minimum standards have a role to play in ensuring fairness and the rule of law, but the reductive power of centralised policymaking means that many places and communities get left behind by a “one size fits all” approach.

In an era of crisis, local decision makers in areas like Cornwall face complex challenges. Covid has had a disproportionate impact on jobs in the key sector of tourism, while Brexit presents a unique challenge with the loss of EU structural funds for local economic development and regeneration. The impact of Brexit on the Cornish fishing industry has been severe with many unable to sell their catch to wholesale markets in the EU. But without a clear framework of powers and resources, Cornwall is entirely dependent upon the UK Government, both to negotiate with the EU and to provide a replacement for EU structural funds, for example via the UK Shared Prosperity Fund. This creates an untenable and inefficient situation where areas like Cornwall must jostle for Whitehall’s attention in competition with other English regions and the devolved nations. Real devolution which comes with legislative change could give areas like Cornwall greater agency and autonomy over the decisions which shape everyday life for its businesses and residents.

⁸ Only in Yorkshire and Humber and the North East is planned expenditure per capita lower than in the South West.

HOW CAN WE TAKE DEVOLUTION TO THE NEXT LEVEL?

Devolution in Cornwall has made a difference. It has provided the opportunity to establish new forms of collaborative leadership, with a more tailored approach to the design and delivery of local services and an increasingly responsive public sector, better able to work in partnership in a time of crisis like Covid-19. But its reach and power is limited. As confidence has grown, so too has the need for further powers and resource.

The Covid-19 crisis has disrupted notions of governance in the UK, blurring the lines between public and private. Our rail and bus networks have effectively been nationalised during the pandemic. The Treasury has intervened on a grand scale to directly support jobs and businesses, perhaps more than at any other point in our peacetime history. Yet we have also seen a renewed shift towards centralism. For example both the Levelling up and Community Renewal funds are competitive funds which will be administered centrally. And the dismantling of the UK Industrial Strategy leaves significant questions about the future of local industrial strategies, as well as the future work and role of local enterprise partnerships. All this comes at a time when more regions are falling into the category of least developed in Europe; the majority are rural non-metropolitan areas without major cities, such as Cornwall (Britain's Leading Edge 2020).

We should use this moment, not to slip back into the old cycle of command and control from the centre, but to embrace reform of our centralised model and support future recovery. We must let go to level up. At the same time as reforming the centre, those who care about devolution in England's regions must learn to stop looking to Whitehall for the answers and instead, work in partnership across boundaries to build consensus and make the case for a decentralised future.

At the same time, we must not be drawn into a debate which focuses solely on the devolution vacuum in England. Instead, English regions must work with areas like Cornwall, Wales, Northern Ireland and Scotland to make the case together for why our shared prosperity depends on a fairer share of power.

The government's *Build Back Better: our plan for growth* makes it clear that despite previous delays, we can expect to see the publication of the Devolution and Recovery White Paper during the next 12 months. Drawing on our reflections about what has been learned from devolution in Cornwall, and informed by our previous research (including Raikes and Giovannini 2019 and Raikes 2020), we propose that this White Paper should be underpinned by a renewed sense of purpose and five key principles:

1. **Transparency and partnership:** The development and implementation of the Devolution White Paper must include a commitment to transparency and partnership, including the publication of minutes of meetings and the negotiation of devolution deals, as well as an overall framework for devolution which sets out the parameters for negotiation. A joint devolution panel should be established, with representation of both local and central government, to oversee the development of the devolution framework.

2. **A meaningful and ambitious transfer of power and resources** to local leaders, either through a mayoral combined authority or a place leadership board (such as exists in Cornwall). This should promote genuine power sharing between central and local government with a joint ambition to support economic recovery and convergence between UK regions. This should work on the basis that nothing is off the table and that central government will do “all it takes” to support local economic and political autonomy, particularly during the economic and social recovery from the pandemic.
3. **Devolution should be treated as a route to strengthen democratic participation:** Working in partnership with local government and civil society, central government must commit to treating devolution as a means to strengthen both our economic and our political future. This should go beyond the ballot box to embrace new ways of enabling citizens to participate fully in the decision- and policy-making processes, for example, through the greater use of deliberative methods such as citizen juries and citizen assemblies.
4. **A long-term roadmap for devolution across the UK:** Devolution is by its very nature an iterative and evolving process which supports a decentralisation of power and resources from the Centre. But to date, it has operated in an ad hoc manner making it susceptible to political influence. The forthcoming Recovery and Devolution White Paper should outline central government’s commitment to a legislative programme of reform, including new commitments for the devolution of further powers and resources to areas like Cornwall. This should include a devolution framework that clearly sets out the principles of the process, and what powers and funding and flexibilities are on offer. It should be open to both non-metropolitan and metropolitan areas.
5. **A commitment to end austerity with a fairer deal for local government and the establishment of fiscal devolution which is underpinned by a principle of fairness:** As a matter of principle, the government should avoid a further proliferation of “special” funding pots held centrally and instead use the rollout of the UK Shared Prosperity Fund to actively devolve funding allocations to maximise opportunities for local recovery.

The government should also legislate in parliament to enable areas like Cornwall to develop their own additional fiscal instruments to manage the recovery and support vital services such as health and social care. In the longer term, central and local government, working together, should consider the establishment of a fiscal devolution inquiry to implement fair local and regional redistribution within a new constitutional settlement.

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