

# Cumbria and Devolution: Unlocking Productivity Through Place-Based Governance

*North West Productivity Forum Scoping Review*

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## Abstract

This Insights Paper examines the evolving landscape of devolution in Cumbria and outlines key considerations for local leaders and regional stakeholders. It highlights critical questions regarding governance structures, socio-economic impacts, local leadership perceptions, and the suitability of mayoral models for predominantly rural areas.

Particular attention is paid to longstanding concerns around centralisation, institutional trust, accountability and funding, including the risks associated with devolving responsibilities without sufficient resources.

By exploring these issues, the paper lays the groundwork for a wider programme of research and contributes to The Productivity Institute's work on place-based productivity, governance and regional growth, emphasising the importance of context-sensitive devolution frameworks.

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## Executive Summary

Cumbria is moving towards a significant shift in local governance with the proposed establishment of a Mayoral Combined Authority (MCA) encompassing Cumberland and Westmorland & Furness, with the first mayoral election anticipated in 2027. As a UK Government Priority Programme area, Cumbria will benefit from a fast-tracked devolution deal, including a £333 million Mayoral Investment Fund over 30 years to support transport, skills, housing, and economic development.

The creation of an MCA will bring new strategic powers over key policy areas, consolidate leadership through a directly elected Mayor, and enable a more place-specific investment approach aligned with Cumbria's economic strengths, including tourism, nuclear, clean growth, and advanced manufacturing. Enhanced influence over transport integration, particularly important in a rural and coastal context, could help address long-standing challenges around connectivity, labour mobility, and access to markets.

Devolution will require strong governance, institutional capacity, and accountability. There is a growing role for academic research, both qualitative and quantitative, in examining how mayoral models operate in predominantly rural and peripheral areas, evaluating the impacts of devolved powers on productivity, skills, and infrastructure, and supporting the development of effective governance and financial management systems.

For policymakers, key considerations include managing governance complexity following local government reorganisation, ensuring meaningful rural representation, and navigating difficult prioritisation decisions under new strategic responsibilities. For businesses, devolution offers the prospect of more locally aligned support, improved investor confidence through long-term funding certainty, and better coordinated transport systems.

Cumbria's devolution deal offers a significant opportunity to strengthen local autonomy and promote long-term, inclusive growth, but its success will depend on governance and delivery models that reflect Cumbria's rural and peripheral geography and economic character, rather than replicating established urban-centred approaches.

## Introduction

Cumbria has been identified as a priority area in the UK Government's devolution agenda. The proposed Mayoral Combined Authority (MCA) will bring together two new unitary authorities, Cumberland and Westmorland and Furness, under a directly elected mayor, who will have devolved powers in areas such as transport, housing, and economic development. Nationally, the English Devolution and Community Empowerment Bill (2025) provides the overarching framework for these reforms, introducing Strategic Authorities, including Mayoral Combined Authorities (MCAs) and Combined County Authorities (CCAs), as the key vehicles through which devolved powers are transferred from central to local government.

These new governance arrangements raise important questions for leaders across the public, private, and voluntary sectors, as well as for civic society. This scoping paper discusses the evolving landscape of devolution in Cumbria and outlines potential future considerations. By highlighting these issues, it lays the groundwork for a broader research initiative and identifies key questions for further exploration, including governance structures, socio-economic implications, and local leadership perceptions regarding this significant shift.

This agenda raises important questions about the future of English devolution. Will increased powers provide local autonomy, or will they shift responsibilities without adequate resources? Are Local authorities enabled and resourced to deliver services effectively? Is the Mayoral Combined Authority model appropriate for all areas, especially rural regions like Cumbria? What strategies can be implemented to overcome long-standing tendencies to centralise decision-making and foster trust between different levels of government?

Funding remains a critical issue, with ongoing uncertainty about the right balance between fiscal autonomy and central support, as well as concerns regarding accountability to both Parliament and local communities. Finally, policy instability and short-term thinking pose significant challenges for strategic planning and investor confidence.

# Section One

## 1.1 What is Devolution?

Devolution is the transfer of powers and resources from central government to local or regional authorities, allowing decisions to be made closer to the communities they affect. It aims to enable policies to reflect local needs, improve coordination across areas like skills and infrastructure, give communities a stronger voice, and foster innovation through locally driven solutions (English Devolution White Paper, Dec 2024).

However, despite the rhetoric surrounding greater devolution and decentralisation reforms, many issues remain difficult to resolve. It has been suggested that many functions remain largely centralised (Jones, 2020), that there can be conflicting priorities among key interest groups (Sims, Randall, and Gash, 2014) and, and that devolving to the most appropriate level is contested (Hildreth, 2011). Despite these important considerations, there has been increasing consensus on the need to decentralise, not least as spatial inequalities have gained greater prominence in both public and political discourse, with England being one of the most spatially unequal of the developed countries (Carrascal-Incera et al., 2020; McCann, 2016). Whilst devolution is considered a crucial step in addressing spatial imbalances, discussions continue on the best methods for devolving authority, recognising that place and context are vital for achieving local objectives effectively. (Pearce and Ayres, 2012). The legal foundation for implementing devolution agreements with Mayoral Combined Authorities (MCAs) and CAs (without a Mayor) is provided by the Cities and Local Government Devolution Act 2016 and greater devolution has currently been agreed across ten CAs in England, with further plans outlined in the English Devolution White Paper (December 2024).

Since 2010, the strategy of successive UK governments to promote devolution and local growth has demonstrated several key characteristics (a more comprehensive overview of UK devolution from 1998 can be found in Appendix 1). These characteristics include pan-regional models, such as the Northern Powerhouse model, which advocates neighbouring regions working together to yield collective strengths, and formal governance models such as the Combined Authority model, which enables a group of two or more councils to collaborate and take collective decisions across council boundaries, introduced in The Local Democracy, Economic Development and Construction Act (2009). There are also newer models, including the Combined County Authority (CCA), a combined authority that enables devolution to areas with two-tier local government. The Local Government Association's Devolution and Local Government Reorganisation glossary describes Combined County Authorities (CCAs) as being like Combined Authorities. However, a key difference is that the membership of a CCA must consist solely of upper-tier local authorities, which include county councils, unitary county councils, and unitary district councils. Both CAs and CCAs can be Mayoral Combined Authority (MCA), meaning that they have a democratically elected Mayor and greater devolved powers, outlined further in tables 3 and 4.

## 1.2 Devolution in England

In December 2024, the Labour Government published its English Devolution White Paper, stating that “the number one mission of this government is to relight the fire of our economy and ignite growth in every region. To achieve this, we need to end the ‘cap in hand’ approach to our regions, where towns and cities compete against each other for a limited share of resources. The reality is that for all the promises of ‘levelling up,’ when the rubber meets the road, central government’s first instinct is often to hoard power and hold our economy back.” The statement implies a need for a shift away from a

competitive dynamic in which local authorities compete for limited resources and support from the central government. Instead, it advocates for a more collaborative and equitable distribution of resources to stimulate growth across all regions.

The White Paper acknowledges the need to address the central/local power dynamic and outlines an increase in devolved powers across England, as illustrated in Figure 1 (updated information provided in Table 2). However, it remains unclear to what extent these measures will enable local areas to work with increased autonomy, capacity and resources, or if they are merely shifting responsibilities to regions that may lack the capacity to deliver effectively (Morphet, 2022). The role of accountability, citizen engagement and community and business engagement and leadership are also critical factors for devolution on its missions of improving economic growth, productivity and living standards across England (Newman, et al., 2024). As such, devolution is more than merely a transfer of powers but requires capacity, governance, and inclusivity to succeed.

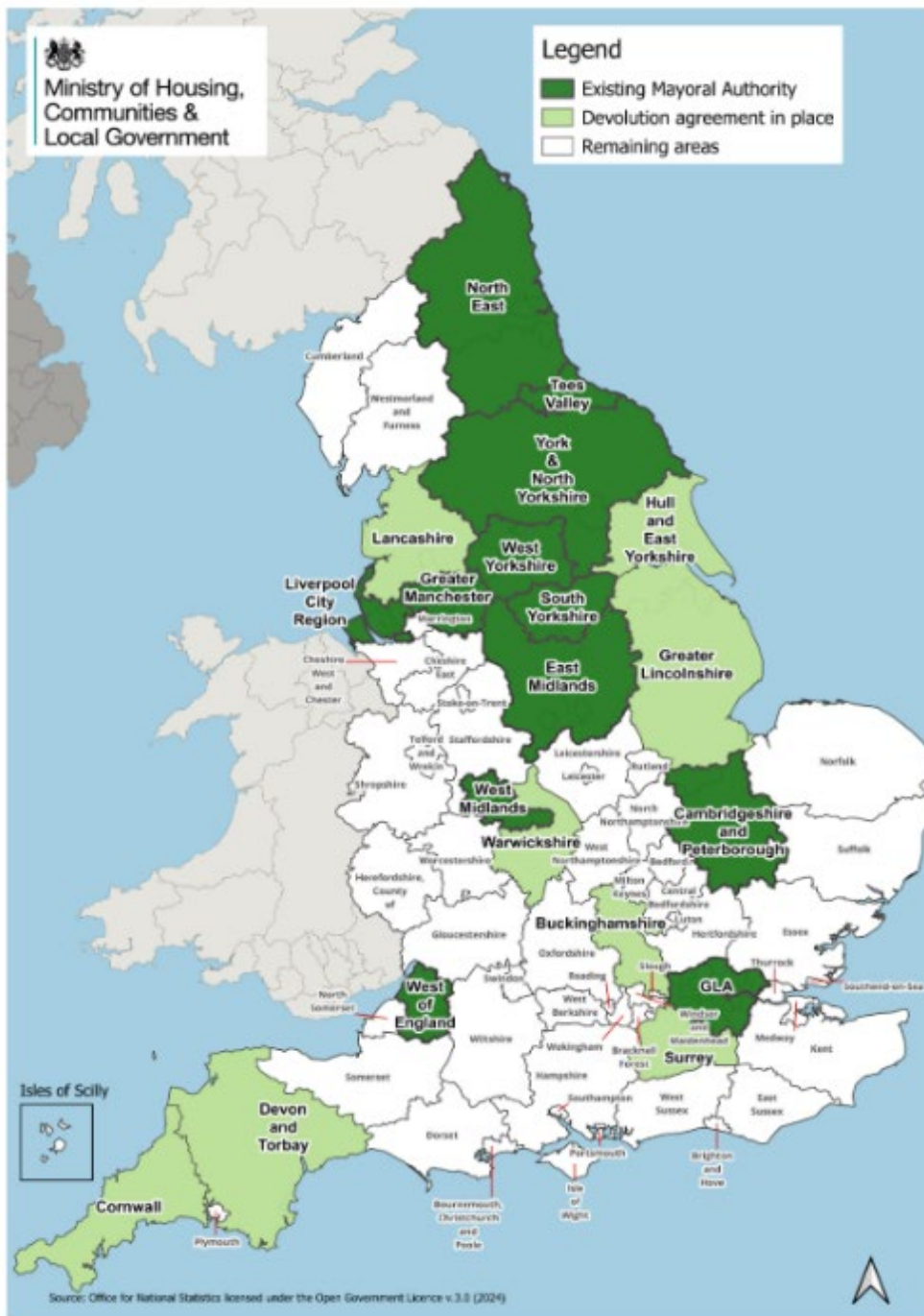


Figure 1: Map of English devolution landscape, December 2024: Source: [www.gov.uk](http://www.gov.uk)

Table 1: Table: Status of English Devolution Deals (2025)

Region / Area	Status	Type	Target Mayoral Election
Greater London	Established	Mayoral Combined Authority	Existing
Greater Manchester	Established	Mayoral Combined Authority	Existing
Liverpool City Region	Established	Mayoral Combined Authority	Existing
West Midlands	Established	Mayoral Combined Authority	Existing
West Yorkshire	Established	Mayoral Combined Authority	Existing
South Yorkshire	Established	Mayoral Combined Authority	Existing
Tees Valley	Established	Mayoral Combined Authority	Existing
Cambridgeshire & Peterborough	Established	Mayoral Combined Authority	Existing
West of England	Established	Mayoral Combined Authority	Existing
York & North Yorkshire	Established	Mayoral Combined Authority	Existing
East Midlands	Established	Combined County Authority	Existing
Northeast	Established	Combined Authority	Existing
Greater Lincolnshire	Confirmed	Combined County Authority	2025–26
Hull & East Yorkshire	Confirmed	Combined County Authority	2025–26
Lancashire	Confirmed	Combined County Authority	2025–26
Devon & Torbay	Confirmed	Combined County Authority	2025–26
Cumbria	Priority Programme	Mayoral Combined Authority	2026–27
Cheshire & Warrington	Priority Programme	Mayoral Combined Authority	2026–27
Greater Essex	Priority Programme	Mayoral Combined Authority	2026–27
Hampshire & Solent	Priority Programme	Mayoral Combined Authority	2026–27
Norfolk & Suffolk	Priority Programme	Mayoral Combined Authority	2026–27
Sussex & Brighton	Priority Programme	Mayoral Combined Authority	2026–27

As shown in Table 1, Cumbria has been identified as a Priority Programme, meaning that the Government has selected it for *fast-track* devolution. According to the English Devolution and Community Empowerment Bill, published in July 2025, being fast-tracked offers potential benefits including greater financial flexibility, integrated settlements, and influence over geography and powers.

### 1.3 What duties and powers will the devolved English regions receive?

Table 2 provides an overview of the areas of responsibility that places have greater decision-making over and suggests how devolution may impact each area of responsibility. While devolution offers certain advantages, as suggested in Table 2, it also presents challenges that must be recognised and planned for. Devolution significantly increases the capacity requirements for local and combined authorities. Strategic powers over transport, housing, skills, and economic development demand specialist expertise in planning and delivery. There will be a number of new expectations for Local Authorities as they gain increased powers, including financial requirements and accountability measures. Recruiting and retaining skilled staff becomes critical, particularly in smaller or rural areas, to ensure devolved powers translate into effective outcomes. Table 2 provides some potential impacts of increased devolution and provides examples from places with established devolution deals.

*Table 2: Impact of Devolution on Local Councils*

Responsibility	Before Devolution	After Devolution	Example
Transport	Limited influence; funding and planning controlled by central government	Strategic control over transport budgets; ability to franchise buses and manage key routes	Greater Manchester's bus franchising under the Bee Network
Housing & Planning	Local plans within national frameworks; limited strategic powers	Authority to set spatial strategies and approve major housing projects	West Midlands MCA setting regional spatial framework
Skills & Employment	Delivery of national programmes with little flexibility	Power to design and deliver adult education and workforce development	West Yorkshire MCA shaping adult skills budget
Economic Development	Dependent on central grants and national priorities	Lead regional growth plans; access to long-term investment funds	Tees Valley MCA using devolved funds for industrial cluster development
Funding	Reliance on ring-fenced grants and short-term settlements	Multi-year integrated funding; ability to levy mayoral precept and borrow	Greater London's mayoral precept funding transport upgrades
Governance	Fragmented structures; two-tier systems in some areas	Unified strategic authority under elected mayor; possible	Cumbria moving from two-tier to MCA governance

Responsibility	Before Devolution	After Devolution	Example
		reorganisation into unitary councils	
Accountability	Primarily to central government	Dual accountability: to local electorate and Parliament	Mayoral elections combined with scrutiny committees
Capacity Needs	Moderate/stretched administrative requirements following consistent cuts	Increased need for staff with new skills, financial planning, and governance systems	Recruitment drives for economic development teams in new CCAs

Source: Adapted from The English Devolution and Community Empowerment Bill: Guidance (UK Government, 2025)

### 1.3.1 The Role of Strategic Authorities

Under the English Devolution and Community Empowerment Bill (2025), Strategic Authorities are central to reshaping governance across England by coordinating regional priorities, unlocking devolved powers, and streamlining decision-making across multiple councils. These bodies, such as Combined Authorities, Combined County Authorities, do not replace local councils but sit above them to manage strategic functions. Strategic Authorities will oversee

- Transport and local infrastructure
- Skills and employment support
- Housing and strategic planning
- Economic development and regeneration
- Health, wellbeing and public service reform
- Public safety
- Environment and net zero

They will also deliver powers granted under the Devolution Framework; and manage funding streams like the Mayoral Investment Fund. Where applicable, Strategic Authorities are led by elected Mayors who hold executive powers and are accountable for regional outcomes

### 1.3.2 Levels of Devolution

The English Devolution Bill introduces three levels of devolution: Foundation, Mayoral and Established. Each Strategic Authority will fall into one of three levels shown in Table 3. Authorities can progress through levels, but only belong to one at a time. Strategic Authorities do not replace councils, councils still deliver local services such as social care. Strategic Authorities oversee regional issues as listed in 1.3.1.

Table 3: Levels of Devolution

Level	Who qualifies	Powers
Foundation	Non-mayoral Combined Authorities, CCAs, or designated single councils	Limited devolution powers
Mayoral	Areas with an elected Mayor (CA or CCA)	Greater devolution powers
Established Mayoral	Mayoral Strategic Authorities meeting extra governance requirements	Broadest powers, including the ability to request further devolved powers

Source: Adapted from The English Devolution and Community Empowerment Bill: Guidance (UK Government, 2025)

Authorities are classified into Foundation, Mayoral, or Established Mayoral levels, each unlocking broader powers, with the highest tier gaining a formal “right to request” further powers and funding from the government. This structure has been designed to strengthen local leadership, reduce fragmentation, and create a clearer pathway for areas to deepen devolution over time.

### 1.3.3 Governance Structures

The English Devolution and Community Empowerment Bill: Guidance (2025) presents the framework for implementing deeper devolution across England following the English Devolution White Paper (2024). It introduces Strategic Authorities, including Mayoral Combined Authorities (MCAs) and Combined County Authorities (CCAs), as the primary vehicles for delivering devolved powers. These bodies will oversee strategic functions such as transport, housing, skills, and economic development, while maintaining accountability to both local electorates and Parliament.

The Bill establishes a Devolution Priority Programme to fast-track areas with high readiness, offering benefits such as integrated funding settlements, greater financial flexibility, and influence over the scope of devolved powers. It also outlines governance requirements, including scrutiny committees, annual reviews, and transparency standards to ensure robust oversight.

Capacity building is a central theme, with emphasis on strengthening local institutions through skills development, recruitment, and financial planning. The guidance highlights the need for collaboration between central and local government to overcome entrenched centralisation and deliver inclusive growth across diverse geographies. Table 4 offers a summary of the governance structures for the potential devolved bodies.

Table 4: Governance Structures of Strategic Authorities

Institution Type	Structure	Governance	Accountability
Combined Authorities (CA)	Groups of two or more councils collaborating across boundaries. Can be mayoral or non-mayoral.	Board of council leaders; Mayor chairs if mayoral.	Overview and scrutiny committees; statutory transparency.
Combined County Authorities (CCA)	Similar to CAs but for two-tier areas; only upper-tier councils can be members.	Board chaired by Mayor (if present); committees for transport, housing, skills.	Annual governance reviews; scrutiny committees.
Greater London Authority (GLA)	Strategic governing body for London with Mayor and Assembly.	Mayor sets policies and budgets; Assembly scrutinises decisions.	Assembly oversight; budget amendments require two-thirds majority.
Single Councils (rare cases)	A single council designated as Strategic Authority for non-mayoral devolution.	Retains existing council governance model with added devolution powers.	Subject to same scrutiny and transparency standards as other authorities.

Source: Adapted from The English Devolution and Community Empowerment Bill: Guidance (UK Government, 2025)

### 1.3.4 Section Summary

The UK's approach to devolution since 2010 has aimed to transfer powers from central government to local and regional authorities, enabling decisions closer to communities and fostering locally driven solutions. Despite this ambition, implementation can be hindered by conflicting priorities and limited consensus on how decentralisation should occur. The legal foundation for devolution agreements rests on the Cities and Local Government Devolution Act 2016, with further plans outlined in the English Devolution White Paper (2024) and the English Devolution and Community Empowerment Bill (2025).

The White Paper signals a shift toward greater autonomy for regions, but questions remain about whether these measures genuinely empower local areas or simply shift responsibilities without adequate resources. Strategic Authorities, such as Mayoral Combined Authorities, are central to this framework, overseeing remits including transport, housing, skills, and economic development. However, successful delivery will require significant capacity building, robust governance, and collaboration between central and local government to overcome entrenched centralisation and ensure inclusive growth. Section 2 will discuss the literature on devolution, regional inequalities, and the dynamics between central and local governments, while Section 3 will explore the implications specifically for Cumbria.

## Section Two

### 2.1 Introduction to Devolution Debates

The UK remains one of the most centralised countries in the OECD (McCann, 2016; Diamond et al., 2023; Warner et al., 2024), and debates on decentralisation have persisted for decades. This includes discussions regarding the most suitable scale for devolving powers (McCann, 2023), the necessary institutional and governance arrangements (Pabst and Westwood, 2021), and the importance of developing models that address not only the needs of cities and urban areas (Warner et al., 2024; Bowen and Webber, 2024). The role of competition combined with austerity and centralisation has constrained local government capacity (John, Ward and Dowding, 2004; Copus, Roberts and Wall, 2017; Pike, Coombes and Tomaney, 2018). Industrial policy is widely viewed as critical, with concerns that short-termism and policy churn undermine productivity, highlighting the need for long-term strategic planning (Sims, Randall and Gash, 2014).

The Mayoral Combined Authority (MCA) model, introduced through the Cities and Local Government Devolution Act (CLGDA) 2016, has been central to English devolution. However, its suitability for all geographies is contested (Fenwick and Johnston, 2019). There are questions as to whether MCAs are well suited to rural and peripheral areas and whether some policy areas require governance at scales larger than combined authorities but smaller than national government. These debates raise broader constitutional questions about powers, scale, and institutional design (Pearce & Ayres, 2012; Hildreth & Bailey, 2014).

There is still debate about whether reforms should be the same in places, or if some places should be allowed to choose not to participate. There is some support for incremental change, while others favour directive approaches that use incentives to encourage participation (Willett & Giovannini, 2014; Newman et al., 2024). Opinions on fiscal devolution are mixed, with important questions being debated regarding whether it should be implemented gradually and whether it is viable for smaller geographical areas (Kitsos, 2018). There is consensus on reducing reliance on small grants and moving toward integrated “single pot” settlements for devolved authorities, alongside continued central funding for national priorities (Institute for Government, 2023).

Evidence shows that policies prioritising urban development, such as innovation zones and cluster strategies, primarily benefit metropolitan regions, especially London and the Southeast (Storper, 1992; McCann & Ortega-Argiles, 2016; McCann, 2016; Lee, 2017). These benefits rarely spill over to rural areas, risking deeper spatial inequalities (Bowen and Webber, 2024). Market-oriented policies and austerity have weakened public services and local capacity, creating cycles of decline (Dawley, Pike & Tomaney, 2010). Without a shift toward place-sensitive strategies that integrate economic, social, and cultural factors, rural and peripheral areas will remain disadvantaged (Abreu & Jones, 2021; Barca, 2009; Massey, 1995; Morgan, 1997). While devolution offers potential for greater autonomy, critics argue that current models may perpetuate urban-centric priorities and allow Whitehall to retain control (Lee, 2017; Morphett, 2023). Evidence from Sweeney (2026) further suggests that devolution through the 2016 CLGDA did not, overall, accelerate economic growth in devolved areas compared with non-devolved ones. Instead, outcomes varied substantially by local context; wealthier districts tended to outperform expectations after devolution, while poorer districts often fell behind.

## 2.2 Implications for Non-Urban Areas and Places Outside Core Cities

Urban-focused policies and cluster strategies have largely benefited major cities, especially London and the Southeast. These gains are uneven, and rural or peripheral areas risk being left behind if policy neglects their distinct needs (Harrison and Heley, 2015). Without a place-sensitive approach, devolution could deepen spatial inequalities rather than reduce them. There is growing recognition that the advantages of urban-focused policies are uneven across the UK, and that the prosperity of cities depends heavily on the economic health and resilience of their surrounding regions (McCann, 2016).

For places that do not conform to orthodox urban economic models, such as rural or peripheral areas, this approach risks deepening spatial inequalities (Bowen and Webber, 2024). Policies that neglect hinterlands may exacerbate economic disparities rather than reduce them (Peck, Theodore and Brenner, 2013).

Moreover, focusing narrowly on economic determinants overlooks critical social and cultural dimensions of development (Abreu and Jones, 2021). Market-oriented policies, deregulation, and austerity have weakened public services and local government capacity, particularly in areas already vulnerable to economic shocks, creating cycles of decline (Dawley, Pike and Tomaney, 2010).

As urban-focused and market-oriented policy models have created opportunities for some regions (e.g., the Golden Triangle) while worsening conditions for others, it has contributed to policymakers' reluctance to move away from centralised, top-down national development traditions, given their relative success for some places (Willett & Giovannini, 2014; Newman et al., 2024). Such approaches emphasise infrastructure and industrialisation while paying insufficient attention to local distinctiveness and assets (Barca, 2009; Hildreth, 2011; Hildreth & Bailey, 2014) and tacit knowledge (Massey, 1995; Morgan, 1997).

This poses an important policy implication for places like Cumbria, as without a shift toward place-sensitive strategies that integrate economic, social, and cultural factors, rural and peripheral areas will remain disadvantaged. This requires moving beyond urban-centric models to ensure inclusive growth and resilience across all geographies.

## 2.3 Devolution and regional inequalities

The concept of "*left behind places*" has become central in UK policy debates, and commonly characterised as describing areas with persistent economic underperformance, low wages, and limited employment opportunities (Pike et al., 2023; Liddle, Shutt and Addidle, 2022). These regions often face structural challenges such as weak resilience (Martin, 2012), sectoral decline (Tomaney, 2016), and limited institutional capacity (Fransham et al., 2023). Economic growth remains concentrated in metropolitan areas, while non-urban regions stagnate or decline, reinforcing uneven spatial development (Lang & Gormar, 2019).

The role of competition combined with austerity and centralisation has constrained local government capacity (John, Ward & Dowding, 2004; Copus, Roberts & Wall, 2017; Pike, Coombes & Tomaney, 2018). Structures like Regional Development Agencies (RDAs) and Local Enterprise Partnerships (LEPs) were intended to improve regional and local responsiveness, but centralisation meant that they often operated more as policy rhetoric than practical mechanisms (Martin et al., 2016; Lee, 2017; Newman et al., 2021). While devolution offers potential for greater local autonomy, questions persist about whether current models genuinely empower regions or perpetuate urban-centric priorities.

Devolution deals have also been criticised as mechanisms of soft power, allowing Whitehall to retain control (Morphet, 2023).

Managing accountability "up" to parliament with accountability "down" to local politicians and communities is seen as a persistent challenge for regional government and one that has been for many decades (Stansbury, Turner and Balls, 2023). Levels of accountability and perceptions of legitimacy are important and difficult questions to be asked when considering the future direction of regional policy and governance. Determining the appropriate scale, geography, and level for devolving decision-making between central and local government has undergone multiple iterations, from Regional Development Agencies (RDAs) to Local Enterprise Partnerships (LEPs). While the Combined Authority model is often perceived as a more suitable approach for balancing local and regional needs, Stansbury, Turner and Balls (2023) argue that persistent challenges around accountability and legitimacy remain. Their analysis highlights that without clear governance structures and mechanisms for scrutiny, devolution risks replicating centralised tendencies rather than empowering local communities.

When discussing regional inequality in the UK and the challenges involved in addressing it, McCann identifies three major institutional barriers that hinder progress: perceptions, political power, and precedent (McCann, 2023). Firstly, there is a lack of adequate understanding regarding how to reduce spatial imbalances, which is further complicated by inappropriate comparisons with other countries, such as the US and Australia, that do not share the same context as the UK. Secondly, political power refers to a central government that is hesitant to relinquish control, believing it is in the nation's best interest to maintain authority. When power is delegated, it is often done to address localised issues rather than as part of a broader national strategy. Lastly, the extreme centralisation of the UK, combined with its current institutional frameworks, makes it challenging to implement an effective devolution strategy (ibid).

### 2.3.4 Section Summary

These debates highlight that devolution is not a simple transfer of powers but a complex restructuring of governance that must account for scale, capacity, and equity. Without addressing the risks of urban bias, weak institutional capability, and persistent centralisation, devolution could reinforce rather than reduce spatial inequalities. For non-urban areas, success depends on place-sensitive strategies that integrate economic, social, and cultural dimensions, ensuring that governance reforms genuinely empower local communities rather than replicate existing imbalances. The next section explores the implications of these issues for Cumbria's proposed devolution deal.

## Section Three

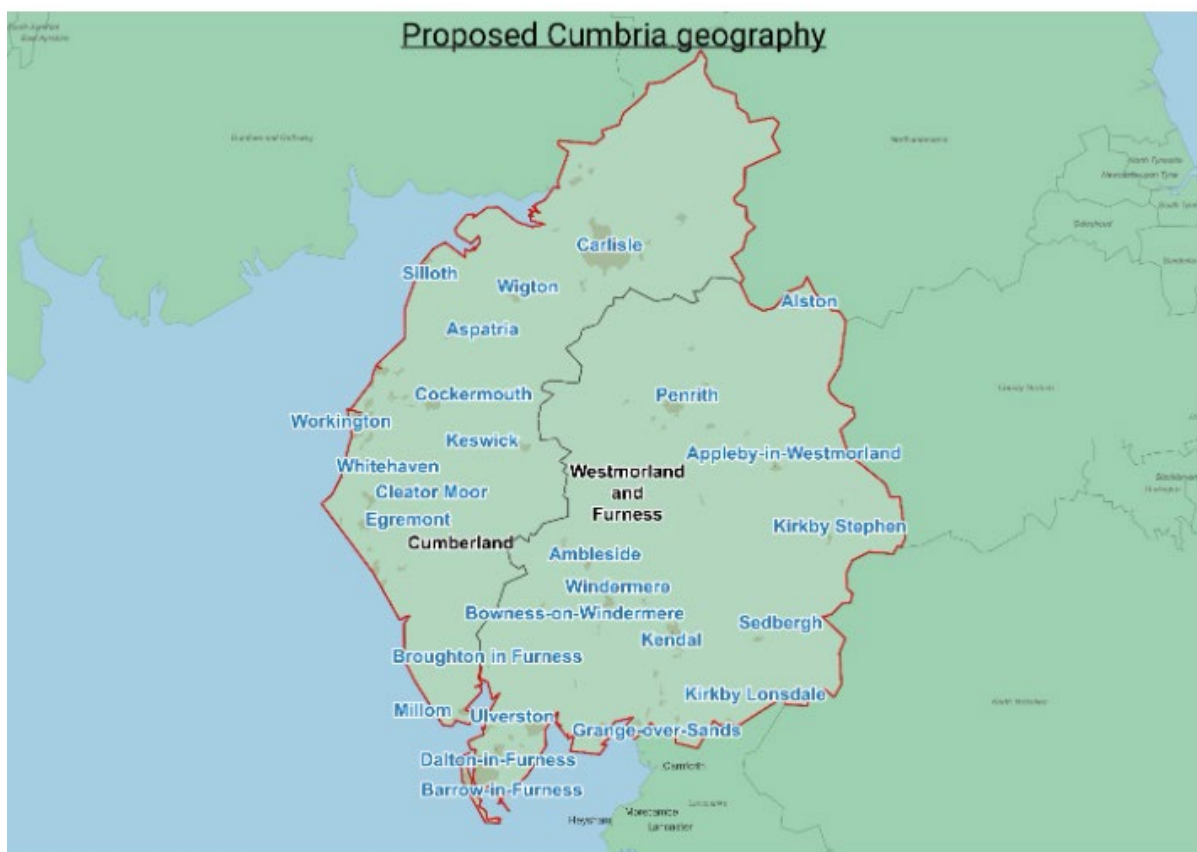
### 3.1 The Cumbria Context

Cumberland Council was established in April 2023 as a unitary authority, merging the former councils of Allerdale, Carlisle, and Copeland. Alongside it, Westmorland and Furness Council was formed, covering Barrow-in-Furness, Eden, and South Lakeland. Some services previously managed by the six districts and Cumbria County Council have been merged.

In March 2024, Local Enterprise Partnerships (LEPs) were dissolved, and Enterprising Cumbria replaced the Cumbria LEP. In collaboration with local councils and MetroDynamics, a new Cumbrian Economic Strategy, *Going for Growth*, was launched in July 2025. This strategy identifies key sector strengths including advanced manufacturing, clean growth, defence, robotics, and tourism. It identifies and addresses barriers to growth such as infrastructure, innovation support, and housing development.

In July 2025, the government published the outcome of the Cumbria devolution consultation. The consultation sought views on the proposal to form a Mayoral Combined Authority for the local government areas of Cumberland Council and Westmorland Furness Council (referred to as Cumbria in the consultation). Following the publication of the English Devolution White Paper in December 2024, local council leaders from Cumberland Council and Westmorland and Furness Council expressed their interest in progressing devolution within the area through the establishment of a Mayoral Combined Authority, with the proposed first election for a Mayor taking place in May 2027. The proposed geography is shown in figure 2.

Figure 2: Proposed Cumbria Geography. Source: <https://www.gov.uk/government/consultations/cumbria-devolution/cumbria-devolution-consultation>



### 3.1.1 Cumbria's proposed Devolution Deal

It is proposed that Cumbria will become a Mayoral Combined Authority, granting the region devolved powers and funding from central government. Under the deal, Cumbria will gain control over key policy areas including housing and regeneration, local growth, adult skills (excluding apprenticeships), and local transport. This devolution agreement is supported by a long-term financial commitment through a £333 million Mayoral Investment Fund spread over 30 years, designed to provide stability for infrastructure, regeneration, and economic development projects (Department for Levelling Up, Housing and Communities, 2023).

The Productivity Institute carried out research with Cumberland Council throughout 2025 and produced a [report](#) (Sensier et al, 2026). The report outlines findings for Cumberland as part of the Investment in Productive Places Campaign (IPPC). The report describes the geographic context, demographics, socioeconomic health challenges, and sectoral profile in Cumbria. It describes Cumbria as a predominantly rural county with dispersed populations and significant natural assets, but also marked inequalities, with several areas among the most deprived nationally. Its economy is made up of nationally strategic sectors such as defence, nuclear, and clean energy with agriculture and hospitality, creating major strengths but requiring tailored, place-sensitive strategies to support inclusive and sustainable growth.

It consists of numerous small and medium-sized towns and villages, with Carlisle as the only city. Major towns in Cumberland include Workington, Whitehaven, Keswick, Maryport, and Millom, while Westmorland and Furness include Barrow-in-Furness, Kendal, Penrith, and Ulverston.

## 3.2 Cumbria and Productivity

The TPI report highlights that productivity levels lag behind the national average in nearly half of its main sectors, particularly in rural and post-industrial areas. Deprivation is acute in parts of the West Coast, with Barrow-in-Furness among the most deprived areas nationally. Economic inactivity and long-term illness are prevalent in towns such as Whitehaven, Workington, and Maryport (Sensier, et al 2026).

Demographic trends compound these issues. The population has grown mainly due to older age groups, while the working-age population has declined, limiting labour supply and business growth. Business start-up rates are 30% below the national average, reflecting weak dynamism. Transport infrastructure further constrains growth. Poor connectivity between employment hubs and limited public transport make travel difficult. For example, journeys from Barrow to Carlisle take over two hours by train, and coastal towns remain isolated from major routes (ibid).

Figure 3 shows the TPI Regional Productivity Scorecard for the Northwest in 2022 (Garcia et al, 2023) from TPI's Productivity Lab. It shows that East Cumbria had a productivity (GVA/ hour) level of £32.70, below the Northwest median of £36.80 but a higher growth rate than the UK since 2008 of 10.8%. This puts it in the "Catching Up" quadrant.

East Cumbria has strengths in its workforce with a below Northwest median of low-skilled workers, median level of high-skilled workers and a higher share of the working population. Investment per job was higher in 2020 than the Northwest median. West Cumbria's productivity was at £32 in 2022, and its productivity growth rate has contracted since 2008 at -8%, so it is in the "Falling Behind" quadrant. It has a median level of active residents in 2022, along with a higher share of the working-age population (16-64 years). The amount of investment per job and ICT investment per job in 2020 was

much higher than the Northwest median due to the presence of the large industrial sites of BAE Systems and Sellafield (Penney, et al 2025).

The Northern Powerhouse Partnership's *Innovation for Impact* report (2025) finds that Cumbria performs comparatively well on measures of innovation and learning from other areas in the region, often described as absorptive capacity (Camagni and Capello, 2009) and on the adoption of new technologies. Cumbria benefits from strong links to the energy and advanced manufacturing sectors through its nuclear industry at Sellafield and its wider engineering base, both of which are identified as scalable clusters within the North West. The North West as a whole demonstrates strong absorptive capacity and relatively high R&D spending per capita (£865), though this remains below the national average.

In its sub-regional analysis, the report shows that advanced manufacturing strengths are concentrated primarily in Cheshire and Greater Manchester. Despite these assets, the report notes that many parts of the North tend to attract lower value-added roles in clean energy and manufacturing. Cumbria may therefore face similar risks: strong sector presence but lower productivity per worker. Policy recommendations emphasise the importance of supporting small firms to learn about and make use of new technologies which could benefit Cumbria's manufacturing and energy supply chains. The report further suggests that investment in skills and infrastructure is critical for rural areas like Cumbria to improve absorptive capacity.

Figure 3: 2024 Release of TPI Regional Productivity Scorecards: ITL3 Northwest

North West ITL3 Scorecards for 2022

Category	Driver of Productivity	TLD	TLD62	TLD63	TLD33	TLD45	TLD34	TLD61	TLD47	TLD71	TLD72	TLD44	TLD73	TLD74	TLD35	TLD36	TLD46	TLD12	TLD11	TLD37	TLD41	TLD42
		North West	Cheshire East	Cheshire West and Chester	Manchester	Mid Lancashire	Greater Manchester South West	Warrington	Chorley and West Lancashire	East Merseyside	Liverpool	Lancaster and Wyre	Sefton	Wirral	Greater Manchester South East	Greater Manchester North West	East Lancashire	East Cumbria	West Cumbria	Greater Manchester North East	Blackburn with Darwen	Blackpool
Productivity	Taxonomy relative to the UK	Catching up	Losing ground	Losing ground	Steaming ahead	Losing ground	Losing ground	Catching up	Catching up	Falling behind	Falling behind	Catching up	Catching up	Falling behind	Catching up	Catching up	Catching up	Catching up	Falling behind	Catching up	Catching up	Falling behind
	Taxonomy relative to ITL1		Losing ground	Losing ground	Steaming ahead	Losing ground	Losing ground	Steaming ahead	Catching up	Falling behind	Falling behind	Catching up	Catching up	Falling behind	Catching up	Catching up	Catching up	Catching up	Falling behind	Catching up	Catching up	Falling behind
	GVA per hour worked	£36.80	£45.70	£44.00	£40.70	£40.30	£39.80	£38.00	£36.60	£35.70	£35.60	£35.40	£35.30	£34.90	£33.50	£33.20	£33.10	£32.70	£32.00	£31.10	£30.60	£29.70
Business Performance	Export Intensity	25.3%	53.7%	42.8%	21.4%	58.3%	17.7%	21.7%	14.1%	36.0%	19.3%	14.3%	20.0%	13.0%	16.2%	12.1%	18.8%	22.9%	23.2%	14.6%	14.9%	4.5%
	New Businesses	12.5%	9.9%	10.4%	14.8%	11.1%	12.8%	11.7%	10.6%	12.6%	15.9%	10.9%	12.6%	13.0%	12.6%	13.1%	11.9%	9.4%	8.7%	13.7%	13.0%	17.0%
Skills & Training	Low Skilled*	10.8%	8.3%	8.9%	12.7%	5.3%	9.1%	11.0%	13.8%	13.9%	11.2%	10.1%	10.5%	9.8%	9.3%	12.9%	9.9%	10.2%	11.8%	12.5%	17.1%	13.6%
	High Skilled	42.6%	48.9%	42.0%	52.5%	47.3%	51.8%	47.5%	42.4%	38.4%	50.1%	36.4%	41.7%	42.7%	44.5%	34.8%	35.4%	44.5%	32.5%	33.3%	29.1%	34.8%
Health & Well-being	Active	80.2%	87.8%	77.9%	75.7%	82.6%	79.2%	84.0%	77.0%	81.8%	74.3%	78.8%	80.2%	83.2%	84.3%	81.0%	79.2%	87.8%	81.5%	78.7%	75.4%	77.6%
	Inactive due to illness*	36.3%	31.4%	26.7%	31.5%	28.4%	29.3%	30.2%	34.4%	48.4%	40.3%	39.9%	35.2%	41.6%	36.5%	38.6%	36.8%	52.9%	52.1%	33.0%	31.6%	49.7%
	Working Age	57.2%	51.3%	53.3%	65.9%	55.3%	58.7%	58.9%	55.7%	56.0%	64.7%	54.8%	55.1%	57.1%	57.4%	56.8%	54.8%	52.7%	55.1%	56.8%	56.2%	56.4%
Investment, Infrastructure & Connectivity	4G connected	86.9%	84.3%	71.9%	98.7%	81.6%	94.8%	82.2%	73.2%	91.9%	98.9%	78.6%	77.4%	83.3%	93.9%	89.9%	89.8%	65.6%	70.3%	92.7%	97.0%	84.9%
	Fibre connected	35.8%	31.7%	56.0%	40.3%	40.7%	40.6%	21.9%	47.1%	26.1%	45.4%	56.5%	43.2%	71.2%	29.7%	20.3%	22.5%	23.5%	17.8%	39.4%	14.2%	3.9%
	GFCF per job	£9,478	£11,783	£11,946	£11,578	£11,812	£10,966	£7,654	£6,777	£9,139	£11,195	£7,642	£8,259	£6,855	£5,908	£5,664	£6,443	£11,323	£20,234	£6,104	£6,522	£5,039
	ICT per job	£404	£420	£536	£454	£657	£508	£387	£326	£414	£442	£474	£403	£290	£270	£216	£384	£372	£506	£271	£255	£178
	Intangibles per job	£1,900	£3,450	£2,283	£2,077	£3,287	£2,954	£1,527	£1,246	£2,071	£1,480	£700	£1,015	£2,465	£1,299	£784	£1,028	£3,231	£1,216	£1,163	£844	£822

Key

	Better: higher than 105% of weighted mean of ITL1 parent region
	Equal: within 95% - 105% of weighted mean of ITL1 parent region
	Worse: lower than 95% of weighted mean of ITL1 parent region
	No data available

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[Annex: Methods and Sources](#)

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Source: <https://www.productivity.ac.uk/wp-content/uploads/2025/01/PIP047-North-West-Insights-Paper-January-2025.pdf>

### 3.3 Implications for devolution in Cumbria

Devolution provides Cumbria with greater control over transport, housing, skills, and economic development, supported by a £333 million Mayoral Investment Fund over 30 years. This long-term funding offers greater financial certainty for infrastructure and regeneration projects. Local decision-making can help close Cumbria's productivity gap by targeting investment toward priority sectors such as tourism, nuclear energy, and clean technology. A Combined Authority also strengthens Cumbria's national voice and ability to attract inward investment. Improved transport powers will enable integration of bus services and influence rail development, providing the opportunity to reduce rural isolation and improve access to jobs and services. Control over adult skills funding allows tailored workforce development to address shortages in health and social care. Finally, devolved powers on climate resilience and land use planning have the potential to support sustainable growth while protecting Cumbria's landscapes.

As discussed in section 2, urban priorities often dominate regional development creating a risk of rural marginalisation. Cumbria must embed rural representation within governance structures to ensure decisions reflect the needs of diverse communities. The introduction of a mayoral structure adds complexity to an already reorganised local government system, requiring clear role definitions, streamlined processes, and strong collaboration between tiers to avoid duplication. Despite the investment fund, Cumbria faces high service delivery costs due to its large, sparsely populated geography, which may necessitate additional resources or innovative funding models. Public engagement remains critical, as consultation responses reveal mixed views on devolution and concerns about whether a mayor can represent diverse identities<sup>1</sup>. Building trust through transparent communication and inclusive engagement will be essential. Finally, effective delivery depends on strong institutional capacity and leadership; smaller councils may struggle without targeted support for skills development, recruitment, and governance capability.

#### 3.3.1 Section Summary

Cumbria's proposed devolution deal represents a significant opportunity to reshape governance and stimulate economic growth in a region that faces some challenges. The creation of a Mayoral Combined Authority, supported by a £333 million investment fund, offers the potential for greater local control over transport, housing, skills, and economic development. These powers could help address persistent productivity gaps, improve connectivity, and support sectoral strengths such as nuclear, clean energy, and tourism. However, the success of this transition depends on overcoming structural and capacity constraints, ensuring rural representation, and building trust among communities. Governance complexity, high service delivery costs, and demographic pressures underscore the need for tailored strategies that reflect Cumbria's distinctive geography and socio-economic profile. Without careful planning and inclusive engagement, there is a risk that devolution could replicate existing inequalities rather than resolve them.

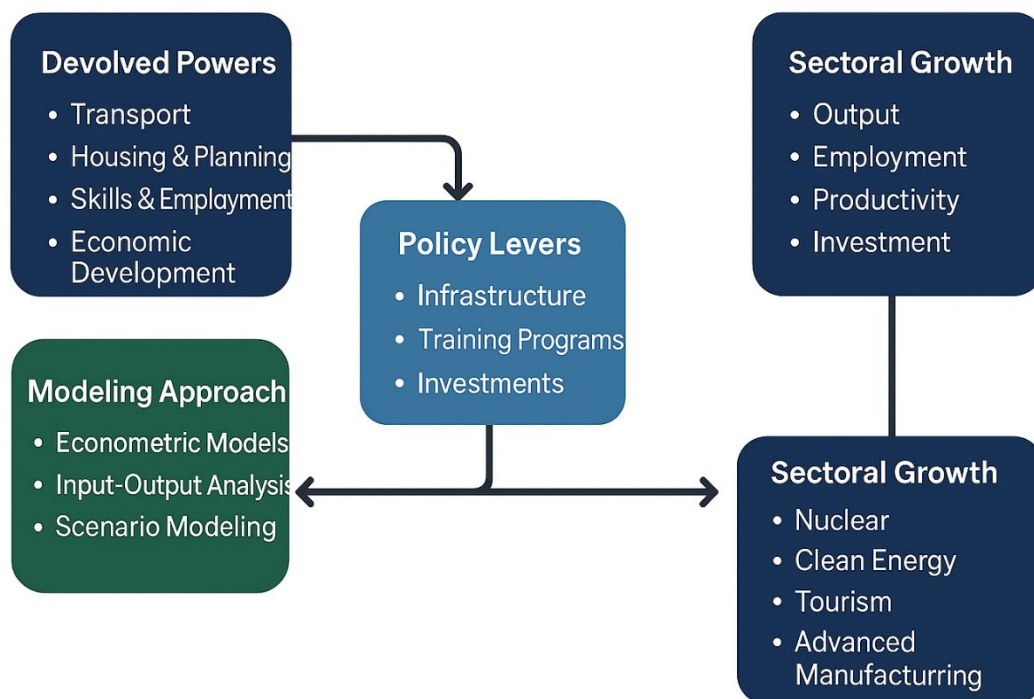
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<sup>1</sup> Cumbria County Council (2023) *Public consultation on devolution*. Available at: <https://www.cumbria.gov.uk>

### 3.4 Next Steps for the Research Agenda

To support effective implementation and long-term success, the research agenda could address several key areas. Figure 4 highlights potential ways to examine the effectiveness of devolved powers, largely through quantitative methods, whilst table 5 provides potential research themes that could be explored qualitatively.

Figure 4: Framework of intersecting research themes



The first priority for the research is to explore governance and accountability and to examine how the Mayoral Combined Authority (MCA) model can be adapted for rural contexts. This includes developing frameworks that ensure transparent decision-making and robust public scrutiny.

Institutional capacity is a critical factor in ensuring that Cumbria’s devolution deal can be implemented effectively. Research will examine the specific capacity gaps councils identify as they prepare for new devolved responsibilities, such as strategic planning, financial management, and specialist expertise in areas like transport and skills. It will also explore how smaller councils experience recruitment and skills challenges compared to metropolitan authorities, which often provide an advantage.

Embedding rural representation within governance structures is essential to avoid marginalisation. Mechanisms to hear and implement rural needs could be investigated, and public engagement strategies evaluated to build trust and legitimacy.

Quantitative methods could model the impact of devolved powers on sectoral growth and explore interventions that boost business dynamism and innovation. Research could assess whether current funding commitments adequately meet Cumbria’s needs and could explore innovative financing models to manage the high costs of service delivery in sparsely populated areas.

### 3.4.1 Section Summary

Cumbria's devolution deal provides an opportunity to strengthen local control and drive growth, but success depends on many factors, including fiscal sustainability, institutional capacity, and inclusive governance. Without careful planning and engagement, reforms risk reinforcing existing inequalities. To support Cumbria's devolution deal in producing meaningful outcomes, the next phase of this research will focus on gaining insights into how to strengthen governance and institutional capacity. This will provide a theoretical framework that provides insights into how to deliver place-specific strategies that adapt the Mayoral Combined Authority model to fit rural contexts.

Most devolution frameworks in England have been designed with metropolitan areas in mind. By exploring how the Mayoral Combined Authority (MCA) model can be adapted for rural and non-urban contexts, this research will make an important contribution for other regions facing similar governance and capacity issues. By making a strong case for context-specific and place-based strategies in policy design, this research can influence national decision-making and help reduce the tendency to create policies that overlook rural areas in favour of urban priorities.

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## Appendices

### Appendix 1

The table in appendix 1 shows the main devolution phases across the UK, including the institutions that the powers were devolved into, the key devolved powers and some of the key policies (the key policy milestones included here are informed by the Open University policyWISE timeline). The key policy milestones for England included in this table are those which relate to regional governance discussed within this thesis.

Nation	Devolved Institution	Key Devolved Powers	Reserved Powers (UK Parliament)	Established	Policy Milestone year	Policy Milestone
Scotland	Scottish Parliament & Government	Health, education, justice, transport, environment, agriculture, local government, culture, some tax powers	Foreign affairs, defence, immigration, monetary policy, energy regulation, broadcasting	1999 (Scotland Act 1998)	2002	Free personal care in Scotland for adults aged 65 or over
					2006	A ban on smoking in public places in Scotland was introduced
					2007	Graduate endowment scrapped (tuition-free full-time UG study for Scottish students)
					2010	Curriculum for Excellence implemented
Wales	Senedd Cymru (Welsh Parliament)	Health, education, transport, local government, culture, agriculture,	Defence, foreign affairs, immigration, macroeconomic policy, policing &	1999; enhanced in 2006 and 2017	2001	Wales creates the post of Children's Commissioner – the first in the UK.
					2002	

Nation	Devolved Institution	Key Devolved Powers	Reserved Powers (UK Parliament)	Established	Policy Milestone year	Policy Milestone
		environment, some tax powers	justice (mostly reserved)		2007	Free bus travel for over 60s in Wales
					2010	Universal free prescriptions in Wales.
					2011	Welsh Language Measure becomes law
						Introduction of single-use carrier bag charge
Northern Ireland	Northern Ireland Assembly & Executive	Health, education, justice, policing, transport, culture, agriculture, some tax-varying powers	Defence, foreign affairs, immigration, macroeconomic policy, broadcasting	1999 (Good Friday Agreement)	2001	Police Service of Northern Ireland replaces the Royal Ulster Constabulary as part of policing reforms.
					2008	End of official 11-plus exams in Northern Ireland (many unofficial ones continued)
					2012	Abuse Inquiry into Historical Institutional Abuse launched
					2015	Children's Services Co-operation Bill enacted
England	No devolved national parliament	Some regional powers via metro mayors: transport, planning, housing,	All major powers retained by UK Parliament	N/A (regional mayors from 2000)	1998	Introduction of the Regional Development Agencies Act
					2009	The Local Democracy, Economic Development and

Nation	Devolved Institution	Key Devolved Powers	Reserved Powers (UK Parliament)	Established	Policy Milestone year	Policy Milestone
		economic development				Construction Act (2009) allowed for the creation of a combined authority.
					2010	Abolishment of the Regional Development Agencies (RDAs)
					2011	Establishment of the Local Enterprise Partnerships
					2011	Greater Manchester becomes the first Combined Authority
					2016	The Cities and Local Government Devolution Act -The Secretary of State may order for a combined authority to maintain an elected mayor. It also provides new powers for combined authorities
					2017	Introduction of Metro Mayors
					2023	The Levelling Up and Regeneration Act (2023) legislated for the creation of

Nation	Devolved Institution	Key Devolved Powers	Reserved Powers (UK Parliament)	Established	Policy Milestone year	Policy Milestone
						a combined county authority between two or more county councils and other constituent councils
					2024	LEPs formally dissolved
					2024	The English Devolution White Paper sets out plans for Mayoral Strategic Authorities and Strategic Authorities

\*2016 United Kingdom European Union membership referendum (Brexit)

\*\*2020 Formal withdrawal of the UK from the EU

## Appendix 2

### Opportunities and Challenges of Devolution in Cumbria

Opportunities	Challenges
Greater Local Control and Strategic Investment – Local decision-making powers over transport, housing, and economic development; £333m Mayoral Investment Fund over 30 years (Department for Levelling Up, Housing and Communities, 2023).	Risk of Rural Marginalisation – Urban priorities may dominate combined authorities, leaving rural communities overlooked (Rural Services Network, 2023).
Economic Growth and Productivity – Ability to target investment to local sectors such as tourism, nuclear, and clean tech (Cumbria LEP, 2023; Centre for Cities, 2023).	Complex Governance and Bureaucracy – Adding a mayoral layer increases complexity after recent local government reorganisation (Centre for Governance and Scrutiny, 2023).
Improved Transport and Connectivity – Integration of bus services and influence over rail development to reduce rural isolation (Department for Transport, 2023).	Funding Pressures – High service delivery costs in sparsely populated areas may exceed available resources (Institute for Government, 2023).
Skills and Employment – Control over adult skills funding to address workforce shortages in health and social care (Cumbria LEP, 2023).	Public Engagement and Trust – Mixed consultation responses; concerns about loss of local autonomy and identity (Cumbria County Council, 2023).
Environmental and Climate Action – Local powers to protect landscapes and promote sustainable growth (Department for Levelling Up, Housing and Communities, 2023).	Capacity and Skills for Implementation – Smaller councils may lack resources and expertise to manage new responsibilities (Local Government Association, 2023).