

POLICY ESSENTIALS: ECONOMIC GROWTH & DEVOLUTION





ABOUT

The County Councils Network (CCN) represents 39 county and unitary councils across England. We are a councillor-led, cross-party organisation that works on behalf of our member councils and their communities to ensure they have a strong voice with national government, and to help deliver positive change for those authorities and the residents they serve.

The CCN aims to articulate the challenges and opportunities of its member councils, alongside their priorities, to the government and other key organisations. This is primarily done through original and impactful research across areas such as adult social care, children's services, housing and planning, and local government finance.


Building on our **Guide to CCN**, our updated series of **Policy Essentials** aims to give county and unitary councillors a short and concise overview of the most important policy issues facing their councils. This includes an overview of the key service responsibilities of councils; why it is a national advocacy priority for CCN; key developments in the national policy landscape; and CCN's key policy positions and advocacy priorities.

This Policy Essentials is focused on **Economic Growth & Devolution**. For more information on our policy work in this area, contact:



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What role do councils play in economic growth & devolution?

Devolution and Economic Growth are two sides of the same coin. By that we mean that the full potential of CCN members to drive local economic growth will not be realised without an accompanying devolution of necessary powers and funding from central government.

County councils and unitary authorities in England do not have a single explicit statutory “economic growth duty,” but a combination of legal powers and responsibilities effectively requires them to promote and enable it. Under the wellbeing duty and the General Power of Competence, councils can take broad action to support economic, social, and environmental improvement, including regeneration and investment initiatives.

Their most significant statutory roles relate to planning, infrastructure, and strategic coordination. Below we summarise the main areas, but separate *Policy Essentials* on planning, housing and transport provide further details:

- **Economic development and regeneration:**
 - Councils lead or support local growth strategies, regeneration schemes, and investment activity, often in partnership with business and regional bodies.
- **Planning responsibilities:**
 - Unitary authorities act as full local planning authorities, preparing Local Plans and allocating land for housing, employment, and infrastructure.
 - County councils have a more limited but strategic role (e.g. minerals and waste planning).
- **Transport and infrastructure:**
 - County and unitary authorities are highways authorities in their areas, responsible for maintaining networks and producing Local Transport Plans to support growth.
- **Duty to cooperate:**
 - They must work collaboratively across boundaries on strategic issues such as housing, infrastructure, and economic development.



- **Skills and Employment**

- There is no universal statutory duty and the role varies, increasingly due to devolved powers, but responsibilities include adult education and skills (often devolved funding) and supporting labour market participation.

In two-tier areas, responsibilities are split between county and district councils, which shapes how growth is delivered in practice:

- **County councils (strategic/enabling role):**

- Transport and highways
- Education and skills (including aspects of adult education)
- Strategic planning and infrastructure
- Economic strategy and partnership working

- **District councils (local delivery role):**

- Local planning and development management
- Housing and regeneration schemes
- Environmental health and licensing
- Town centre and local economic initiatives

By contrast, unitary authorities combine all these functions, giving them a more direct, end-to-end role in driving growth locally.

These roles are increasingly evolving through devolution and local government reorganisation. Devolution deals and the expansion of mayoral combined authorities are shifting powers—particularly over transport, skills, housing, and strategic investment—upwards to regional bodies.

- **Combined Authorities** – a group of two or more councils that take collective decisions across council boundaries on matters that have been devolved such as economic development, transport and regeneration. Examples of CAs include Greater Manchester and the West of England. CAs can either be Mayoral or non-Mayoral.
- **Combined County Authorities** – similar to Combined Authorities but covering two-tier areas. Unlike Combined Authorities, only the upper-tier councils (county councils and unitary councils) can be constituent councils. Examples include the East Midlands CCA and the Devon and Torbay CCA.



What are the key issues facing CCN members in economic growth?

- **CCN research consistently shows that county and non-metropolitan areas face a structural mismatch:** they are critical to the national economy but lack the powers, funding flexibility, and institutional clarity required to fully drive growth compared to urban areas. Addressing these challenges requires deeper, more consistent devolution (including fiscal powers), fairer funding, and governance models tailored to county geographies, rather than city-region templates.
- **County economies are central to the economic success of the UK.** Outside of London, CCN's member authorities cover over half of England's population and contribute:
 - Over half (52%) of Gross Value Added (GVA)
 - Over half (59%) of all businesses; and,
 - Over half (51%) of all jobs
- **However, despite this, county and non-metropolitan economies face structural weakness.** CCN research has consistently shown that these areas suffer from lower productivity, lagging median wages, and significant skills and infrastructure gaps.
- **There are also barriers to accessing education, transport, and jobs, particularly in rural and dispersed areas.** These structural issues make it harder to translate local economic growth activity into rapid economic gains without additional support. Cities have historically received more favourable funding settlements, particularly for infrastructure and growth programmes
- **Despite progress in recent years, many county areas have not historically benefited from devolution to the same extent as city regions, with a large proportion still lacking deals.** CCN highlights a need for parity with mayoral combined authorities, including powers over transport, skills, and investment funding. Devolution policy has been perceived as urban-focused, leaving counties underrepresented despite their economic contribution.



What is the national policy context for economic growth and devolution?

- Local Growth Plans and the UK's emerging Industrial Strategy together form the core of the Government's place-based approach to economic growth, with local and regional government playing a central delivery role.
- Under the devolution framework, Local Growth Plans are expected to be prepared by Strategic Authorities (and aligned with constituent councils), setting out locally agreed priorities for economic development, infrastructure, housing, skills, and regeneration, and providing a clear framework for aligning national funding with local needs. These plans are intended to improve coordination across policy areas and create long-term, investor-ready strategies tailored to functional economic geographies.
- In parallel, the Government's Industrial Strategy sets national priorities for growth—such as boosting productivity, innovation, and key sectors—while increasingly relying on devolved institutions to translate these priorities into place-specific interventions, linking national policy, regional investment, and local delivery. Together, they embed a model in which central government sets strategic direction and funding frameworks, while local and regional authorities lead on implementation, integration, and place-based growth outcomes.
- To support the delivery of these local economic growth policies, the system of local government is changing, and this will impact on local attempts to drive economic growth. Currently, we have unitary authorities as well as 'two-tier areas', with an upper tier County Authority and lower tier Districts and Boroughs.
- The government is seeking to abolish two-tier areas and replace them with unitary authorities. In addition, the English Devolution Act states that the government wants to see all of England with a devolution deal, with the ultimate policy intention is that places do so with a Mayor over a strategic geography, working in tandem with local council leaders. Through a phased delivery programme they are seeking to establish 'Strategic Authorities' over the course of this parliament and next. Strategic Authorities will comprise of three levels:



- **Foundation Strategic Authority:**
 - Available to those authorities without an elected Mayor, Foundation Strategic Authorities (FSAs) include non-mayoral Combined and Combined County Authorities as well as single councils that have been specially designated as a Strategic Authority.
 - FSAs will have devolved powers over transport and infrastructure, skills and employment support, housing and strategic planning, economic development and regeneration, environment and net zero, health, wellbeing and public service reform, and public safety.
- **Mayoral Strategic Authority:**
 - Available to areas with an elected Mayor, MSAs will have greater devolution in relation to housing, transport, planning, and economic development, thereby allowing them to shape regional growth. Key powers include creating Spatial Development Strategies, controlling integrated transport budgets, establishing Mayoral Development Corporations, and directing investment for infrastructure and brownfield redevelopment. Existing mayoral Combined and Combined County Authorities will be renamed Mayoral Strategic Authorities.
- **Established Mayoral Strategic Authority:**
 - Available to Mayoral Strategic Authorities who have been in existence for at least 18 months. Established Mayoral Strategic Authorities will have access to the broadest range of devolved powers and functions, as well as an integrated, multi-year funding settlement with enhanced autonomy, including the ability to transfer up to 10% of funding between themes.
- In her March 2026 Mais Lecture, the Chancellor set out plans for a major shift toward fiscal devolution, committing to develop a roadmap (to be published at the Budget) that would give regional and mayoral authorities control over a share of national tax revenues, such as elements of income tax.



What are CCN's key policy positions and advocacy priorities?

CCN's Business Plan 2026/27 sets out the network's priorities for devolution and economic growth over the coming year. Our focus is to ensure wider and deeper devolution for our members as this will provide them with the levers to facilitate local economic growth. In particular we will:

- **Challenge a “two-speed” devolution model and advocate for deeper and faster devolution to county areas**, ensuring county areas are not left behind by urban-focused policy and receive similar expanded powers and funding for new and existing strategic authorities.
- **Promote county economies as central to national growth**, using research and advocacy to demonstrate their critical contribution to productivity, jobs, and economic output.
- **Secure fair and sustained investment for local growth**, including influencing future Local Growth Funds and equivalent programmes to ensure county areas are not disadvantaged.
- **Support the development of new strategic authorities**, providing practical policy support and learning from existing combined authorities, to help councils design arrangements suited to county and rural contexts.
- **Shape and support locally led growth strategies**, including assisting members to develop Local Growth Plans.
- **Advance the case for fiscal devolution**, building on evidence to support greater local control over funding and taxation.
- **Shape and support local government reorganisation**, advocating for evidence-based decisions by government that ensure unitary councils are financially sustainable, support economic growth, and strengthen local leadership and delivery capacity.

[Read more about all our advocacy and research in the CCN Business Plan & Work Programme 2026/27.](#)





Reports

- CCN - Areas for producing spatial development strategies: consultation response
- CCN - EY - Rural Resilience - Challenges and opportunities of the green transition
- Grant Thornton: Fiscal Devolution - exploring the options in England's counties

Press Releases



- 04 December 2025 - Devolution Priority Programme Mayoral Election Delay: CCN responds
- 25 November 2025 - Areas to be able to introduce an overnight visitors levy: CCN responds
- 25 November 2025 - New report calls for government to be 'bold and ambitious on fiscal devolution': local tax powers could unlock over £4bn per year