

# BRIEFING PAPER

English Devolution White Paper

Full Council – 9 January 2025



## PURPOSE

On 16 December 2024, the Government published a White Paper (Power and Partnership: Foundations for Growth) setting out their plans for devolution and local government reorganisation, with the aim of shifting power away from Whitehall and simplifying local government structures. The Government very much see their proposals for devolution and local government reorganisation as working in parallel, but they are separate processes. Both are central to the Government's ambitions for future growth and to achieve national economic renewal.

The Government's long-term vision is for simpler structures and a focus on delivering improved services with greater innovation and a more strategic approach. To help deliver these aims, the Government will also facilitate local government reorganisation in England for two-tier areas and for unitary councils where their size or boundaries may be hindering the ability to deliver sustainable, high-quality public services.

Ahead of the English Devolution Bill, which is expected to start its journey through Parliament in the spring, the Government will bring forward areas ready to move quickly through a new "Devolution Priority Programme". The focus is on councils to work together to form Strategic Authorities that have a combined population of 1.5 million or above. Government sees these changes as central to its wider growth ambitions to achieve national economic renewal but recognises that implementation will be in phases. These Strategic Authorities must have the ambition to move to a mayoral model.

## THE WHITE PAPER

### The devolution offer

The Government has set out an enhanced Devolution Framework, that aims to:

- Enable directly elected Mayors to set the priorities for funding that best suit their areas
- 'Hardwire' regional growth through membership of the Council of Nations and Regions, the Mayoral Council and Local Growth Plans
- Provide the powers and funding to enable easier commutes, and the better joining up of transport networks
- Provide funding for enhanced skills and employment provision that is more relevant to local jobs
- Enable more houses to be built by giving the new authorities responsibility for setting the strategic direction for housing growth, backed by devolved funding, which includes affordable housing.
- Put strategic authorities at the heart of making Britain a clean energy superpower
- Deliver greater public service boundary alignment in the long-term, making more Mayors responsible for fire, police and engagement in Integrated Care Partnerships.

### Types of Strategic Authorities

The Government is proposing to create in law the concept of a "Strategic Authority". With a framework set to replace levels one, two and three of the previous Government's devolution framework. All Strategic Authorities will therefore be expected to belong to one of the following levels:

- **Foundation Strategic Authorities** (fewer powers): The Government will consider proposals for local authorities to work in partnership through the establishment of a Combined Authority or Combined County Authority, as a platform to consider mayoral

devolution in the future. By exception, the government will consider non-mayoral devolution arrangements for single local authorities, where the criteria above are met, but only as a stepping-stone towards forming a Mayoral Combined Authority or Mayoral Combined County Authority.

- **Mayoral Strategic Authorities** (more powers): All Mayoral Combined Authorities and all Mayoral Combined County Authorities will automatically begin as Mayoral Strategic Authorities. Those who meet specified eligibility criteria may be designated as Established Mayoral Strategic Authorities. This unlocks further devolution, most notably an Integrated Settlement.

The Government's strong preference is for partnerships that bring more than one Local Authority together over a large geography.

The Government will also legislate so that Directly Elected Mayors are able to appoint and remunerate 'Commissioners' who would be able to support the delivery of key functions. They would not be members of the Strategic Authority, and the roles would be expected to reflect the areas of competence, such as a Transport Commissioner. However, the model that is used in many existing Mayoral Combined Authorities is that constituent council leaders all take a portfolio for the strategic authority. For example; Manchester Combined Authority.

The Government has made clear that Strategic Authorities will be made up of local unitary councils and will put forward a programme of Local Government Reorganisation to end two tier structures.

### **Proposed areas of competence of Strategic Authorities**

The White Paper outlines the proposed areas of competence of Strategic Authorities. The new enhanced Devolution Framework will be the basis of Government's offer. They will no longer seek to agree 'deals'. The framework is non-negotiable prior to Strategic Authorities being created and has been designed to bolster, not detract from, the functions and role of other public bodies, such as NHS England, Jobcentre Plus the Environment Agency or local authorities.

However, whilst at this stage the framework is non-negotiable, once new Mayoral Strategic Authorities have been established, the new organisation will have the right to request any additions to the framework moving forward.

It will therefore be set out in law that, at the time it is established, the responsibilities of the Strategic Authorities includes:

1. Transport and local infrastructure
2. Skills and employment support
3. Housing and strategic planning
4. Economic development and regeneration
5. Environment and climate change.
6. Health, wellbeing and public service reform
7. Public safety

### **Directly Elected Mayor**

Areas that agree to take on a Directly Elected Mayor will see major benefits. These include:

- Prioritisation by the Government to agree and establish devolution in their area.
- Powers drawn down from the strengthened Devolution Framework, with a significant devolution offer that will continue to grow over time.
- A clear pathway to unlocking higher levels of devolution reserved for the most mature institutions, including access to the Integrated Settlement which will grow in scope over time.
- Flexible allocated funding, with a long-term investment fund and, once the area has qualified, funding granted through a flexible Integrated Settlement.

- A representative sitting round the table of the Council of Nations and Regions with the Prime Minister, First Ministers all the Devolved Governments and the Deputy First Minister of Northern Ireland.
- A representative on the Mayoral Council to work with the Deputy Prime Minister on developing devolution and local growth policy.
- A mandate to develop a Local Growth Plan, with local growth priorities agreed with the government providing focus for central government and regional collaboration.
- Membership of the Mayoral Data Council to join up senior data leaders with central government decision-making on data issues that affect them.

### Principles to consider

When agreeing geographies the Government will consider the following principles. It will not be possible to meet all the principles in all situations and the government will work with areas to find an optimal outcome:

**Scale:** Strategic Authorities should be of comparable size to existing institutions. The default assumption is for them to have a combined population of 1.5 million or above, but they accept that in some places, smaller authorities may be necessary.

**No 'devolution islands':** Geographies must not create devolution 'islands' by leaving areas which are too small to go it alone or which do not have natural partners. - at least to the level of Foundation Strategic Authorities, with an ambition to move to a mayoral model.

**Delivery:** Geographies should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.

**Economies:** Strategic Authorities must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets. It is likely that where travel to work areas are small and fragmented, Strategic Authorities will cover multiple travel to work areas.

**Contiguity:** Any proposed geography must be contiguous across its constituent councils

**Alignment:** The Government will seek to promote alignment between devolution boundaries and other public sector boundaries.

**Identity:** A vital element of successful devolution is the ability for local residents to engage with and hold their devolved institutions to account – and local identity plays a key role in this.

### Future national policymaking

The Government have a clear focus on future policymaking with devolution by default.

They aim to pursue an ambition to realign public authority boundaries, so that over time, public services are delivered over the same areas as Strategic Authority boundaries. Their long-term aim is for public service boundaries – including those of police, probation, fire and health services – and those of Strategic Authorities, to align. Any changes to public service boundaries will be made in consultation with stakeholders and considering the impact on service delivery.

Strategic Authorities, in partnership with local authorities and other local institutions where relevant, are considered as the default delivery institution for new programmes or activity where these are appropriate for local delivery and in their areas of competence.

Non-Departmental Public Bodies and Arm's Length Bodies, such as Homes England, Network Rail and National Highways, will have appropriate regard to relevant Strategic Authority strategies and the shared growth priorities from the Local Growth Plan for the area in their work.

The National Wealth Fund will be established with a strong regional objective to unleash the full potential of our cities and regions.

**Future funding**

The White Paper sets out that Established Mayoral Strategic Authorities will become eligible for the Integrated Settlement, which will commence at the following Spending Review provided a sufficient preparation period has passed. The scope of Integrated Settlements will be confirmed at each Spending Review on the basis of functional responsibilities, and their value by a formulaic process. Integrated Settlements will have a single systematised approach to spending controls and a single, streamlined, overarching assurance and accountability framework coordinated by the Ministry for Housing, Communities and Local Government.

The Devolution Framework also commits to a simplified funding landscape for Mayoral and Foundation Strategic Authorities. This will include:

- For Mayoral Strategic Authorities, consolidated funding pots covering: local growth, place, housing, and regeneration; non-apprenticeship adult skills; and transport. These will commence in the following Spending Review.
- For Foundation Strategic Authorities, MHCLG will provide dedicated local growth allocations, decided by formulae, and with lighter-touch investment sign-off.
- The Government will reform the local growth funding landscape at the following Spending Review, rationalising the number of funds and moving away from competitions. Future local growth funding will recognise the centrality of Strategic Authorities for economic growth. The Government will continue providing funding to Mayoral Combined Authorities with Investment Zones to create additional jobs and economic growth in areas that have economically underperformed in the past.

The 30-year investment funds will remain a core part of the Devolution Framework, with existing arrangements honoured, new areas receiving this funding on their creation, and funding for new institutions standardised to increase fairness. The Government will also remove gateway reviews for Established Mayoral Strategic Authorities which have passed Gateway One or equivalent.

Mayoral Combined and Combined County Authorities have been able to raise a mayoral precept should they choose since legislation made in 2016 and 2023 respectively. However, they cannot use this on their full range of functions, often including vital growth levers like bus services and adult skills. The Government will legislate to correct this, raising the value for money of this existing power.

The Government will reform the Local Government Finance System to put councils on the road to recovery – building on the proposals set out in the previous government's Fair Funding Review.

The Government will consider how a new model of business rate retention could better and more consistently support Strategic Authorities to drive growth.

**LOCAL GOVERNMENT REORGANISATION (LGR)**

The White Paper announces that government will facilitate a programme of reorganisation for two-tier local government areas. Delivery will be phased, taking account of where LGR can unlock devolution and where areas want to proceed at pace.

New unitaries are to be delivered in April 2027 and 2028, with shadow elections taking place earlier. The paper sets out that re-organisation should not delay devolution and devolution plans should complement LGR.

The Government's priorities in LGR are:

- New councils should be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas government believes this will mean creating councils with a

population of 500,000 or more. There may be exceptions to ensure new structures make sense for an area, agreed on a case-by-case basis.

- All two tier areas and smaller or failing unitaries are to develop proposals for reorganisation.
- High quality and sustainable public services to citizens and communities should be prioritised.
- New councils should take a proactive and innovative approach to neighbourhood involvement and community governance to empower residents.
- All councils in an area should collaborate on developing unitary proposals in the best interests of a whole area, rather than producing competing proposals.
- Councils should work with government to bring about changes as swiftly as possible.
- Governance models for local authorities to best support decision-making

We expect to receive a letter from MHCLG before the end of January providing further details on the process to be undertaken.

## **CURRENT REGIONAL POSITION - DEVOLUTION**

In 2023, Plymouth withdrew from the previous Government's proposed devolution deal with Devon and Torbay. The then deal would have seen Plymouth having less power and control in the city, with no clear commitment to increased resources. It was considered a backward step for the city. At the same time, the Council Leader stated that he was committed to pursuing devolution, should a more reasonable and realistic proposal be presented.

Since then, Devon County Council and Torbay Council have continued to progress their own Level 2 'Combined Authority' deal (without a directly elected mayor) and Cornwall Council has similarly been progressing their own deal. Both deals are set to be approved by Statutory Instrument in the coming weeks and any future Strategic Authority will need to incorporate these elements in the future.

As the Government's White Paper clearly seeks to replace the previous frameworks for devolution, there is an opportunity now to reconsider the approach across the region. The Government has said councils with an agreed devolution deal, can continue on with their current track. However, they should continue conversations on exploring all options to 'deepen' the arrangements – with the end goal of achieving Mayoral Strategic Combined Authority.

### **Options for Plymouth**

Plymouth has a long history of working in partnership with Cornwall, Devon and Torbay. In bringing forward a peninsula wide Strategic Combined Authority for Cornwall, Devon, Plymouth and Torbay; we would be bringing together a population of around 1.82 million residents and 74,500 businesses. This would constitute a strong growth alliance for the South West, particularly as we already have a proven track record of working together on initiatives such as the South West Regional Defence and Security Cluster, the Plymouth and South Devon Freeport, as well as the Plymouth Sound National Marine Park.

Forming a 'South West Peninsula Combined Authority', the estimated regional population figures are:

- Plymouth – 268,736
- Devon total - 833,408
  - East Devon – 156,167
  - Exeter – 137,050
  - Mid Devon – 84,148
  - North Devon – 100,543
  - South Hams – 90,842
  - Teignbridge – 137,074
  - Torridge – 68,830
  - West Devon - 58,754

- Torbay - 139,485
- Cornwall – 578,324

It is important to note that the Government has made it clear that there will be no ‘devolution islands’. Therefore, Plymouth City Council needs to work with neighbouring councils to establish a Strategic Combined Authority. If we do not, the Government will legislate for a ministerial directive, which will enable them to create Strategic Authorities in any remaining places where local leaders have not been able to agree how to access devolved powers.

## **CURRENT REGIONAL POSITION – LOCAL GOVERNMENT REORGANISATION**

The White Paper creates an opportunity to look at the geographical footprint of existing council areas, to ensure that local councils fit effectively within the new strategic tier of local government.

The Government has told councils that unitary authorities need to be of a viable size. Councils need to be sustainable and have the scope to grow and thrive. It is also important the people who live, work and learn in each area are effectively and appropriately represented in the new strategic authority.

Plymouth recognises the necessity to expand its administrative boundaries to achieve the scale required for future sustainability. This must be carefully balanced with preserving both Plymouth's distinctive identity and that of our neighbouring communities

This could result in an authority that covers some of what is now Devon County Council and would better reflect how residents living on the fringes of the city, live, work and learn.

Whilst this process is being delivered alongside devolution, the timescales are separate. The Government has made it clear that reorganisation will not hold up the process of devolution and setting up a Strategic Combined Authority.

## **TIMESCALES**

10 January 2025	Register commitment to be part of the Devolution Priority Programme - aimed at places ready to come together and wishing to progress to an accelerated timescale
TBC	Deadline for all other councils (not part of the Devolution Priority Programme) to come forward with their proposals
End of January 2025	Government will hold a public consultation regarding the devolution proposals in those areas part of the Priority Programme.
TBC	Government will hold a public consultation regarding devolution proposals for all other councils
March 2025	Interim LGR proposal submitted to Government
October 2025	Final LGR business case submitted to Government
January 2026	Government will hold a public consultation regarding LGR proposals

May 2026	Inaugural regional mayoral elections
Spring 2027	New unitary/ies 'go live'

## CONCLUSION

The Government White Paper clearly states that their goal is “universal coverage in England of Strategic Authorities” and “devolution by default” is the direction of travel. This is not a question of ‘if’ devolution will happen, rather than ‘when it will happen’.

Plymouth has a long and well-respected track record of working with neighbouring authorities; as well as other regional partnerships and collaborations such as the Great South West, Peninsula Transport, and the Peninsula Rail Task Force.

There are clearly a number of strategic and operational risks to the Council arising from these devolution and local government reorganisation proposals that will need to be mitigated. For example, the Council needs to ensure that day to day services for local people are kept keep running whilst these strategic and structural changes are implemented.

In addition, to ensure that the Council is viable in the future, local government reorganisation provides a unique opportunity to look at Plymouth’s footprint, reviewing the council’s boundary to consider options to enable the council to be sustainable in the future and have the opportunity to grow and thrive.

The Council will need to ensure that sufficient resources are allocated to ensure it can play a proactive part in the discussions for the city. Officers need to establish internal processes and resources to deliver the programme as a strategic project – making sure that we also engage and work with other partners and stakeholders across the city.

## MORE INFORMATION

See the Government White Paper here for more information: [English Devolution White Paper](#)

See LGA briefing for more information: [LGA on the day briefing](#)