

# **English Devolution**White Paper Explainer

Date: 7 March 2025

# **About the Centre for Governance and Scrutiny**

The Centre for Governance and Scrutiny (CfGS) is social purpose consultancy and national centre of expertise. Our purpose is to help organisations achieve their outcomes through improved governance and scrutiny.

CfGS exists to promote better governance and scrutiny, both in policy and in practice.

We support local government, the public, corporate and voluntary sectors in ensuring transparency, accountability, and greater involvement in their governance processes.

## Introduction

On 16 December 2024, the Ministry for Housing, Communities and Local Government published the English Devolution White Paper. White papers are used by the Government to describe a change that government wants to see and how it plans to get there.

In the English Devolution White Paper, the Government says that mayors like those in the West Midlands and Greater Manchester should be developed for every area in England. And it describes how the Government plans pass a new act of parliament to make this happen, likely to be called the English Devolution bill.

There are two big changes the White Paper describes:

- Plans to introduce elected mayors to form a layer of "strategic" government
  across England. Government wants every area to be covered by a "strategic
  authority", each covering multiple local council areas. Currently, more than 40
  per cent of England's population is covered by a strategic, or "metro" mayor,
  but Government wants to expand this.
- The end of 'two tier' councils in England: The Government describes how 'two-tier' council areas, and their neighbouring smaller unitary councils should be replaced by unitary councils which will, as a rule of thumb, have 500,000 or more residents.

The plans will become clearer when the Government's devolution bill is published – expected to be later this year. But it has already announced six 'priority' areas where



consultations over devolution are taking place. These areas are aiming to have mayoral elections in May 2026. Two of these are made up of unitary councils, but the remaining four areas are "two-tier", and will see their councils replaced shortly after establishing a strategic authority.

- Cumbria
- Cheshire and Warrington
- Norfolk and Suffolk
- Greater Essex
- Sussex and Brighton
- Hampshire and the Solent

# **Background: devolution by deal**

The Government argues in the White Paper that mayors like those covering large cities including Greater Manchester, the West Midlands, Liverpool City Region and elsewhere have been a success and should be rolled out across England.

These were established under a process known as 'devolution by deal' that started in around 2015. Groups of neighbouring councils would submit proposals to Government to establish a <u>combined authority</u>. If approved, the councils and the government would then agree on a bespoke devolution deal, handing responsibilities and funding granted from central government to the new body. While the combined authorities typically gain some power over transport, skills, and housing and planning from Westminster, its constituent councils continue to exercise the same local powers and responsibilities they did before the establishment of the devolution deal.

The councils are represented on the Board (or Cabinet) of the combined authority as "constituent" councils. Most combined authorities have subsequently elected mayors to exercise powers, but through the board constituent councils vote on decisions and retain a veto over major decisions.

By June 2024, about 48 per cent of England's population was covered by this kind of devolution deal, if you include London, which has its own mayor formed by a different, earlier phase of devolution.

But there have been problems with the 'devolution by deal' process. Firstly, it has been piecemeal, with large areas of England outside devolution deals. Most devolution deals, so far, have been focused on largely urban areas, where the geography and the willpower to come together in this way has been strongest. Secondly, the bespoke nature of the deals has led to inconsistencies in the powers that are granted to different areas.



# **Devolution by default**

To realise the goal for everyone in England to be able to vote for a mayor, the White Paper says the last Government's 'devolution by deal' approach will be replaced by a process it calls 'devolution by default'. It will bring forward a new act of parliament to establish steps groups of councils can take to establish "mayoral strategic authorities" over geographies with at least a 1.5 million people.

(The phrase "strategic authority" is being used by Government as a catch-all term for combined authorities.) However, there is prior step required for many of the areas without a mayoral devolution deal in place.

Counties that operate 'two-tier' county-and-district local government, and neighbouring unitary authorities are being asked to transform into larger authorities at the same time they set out on their devolution journeys – but it is likely that Mayoral governance and the setup of combined authorities will come first, with local government reorganisation following later.

## In brief these steps are:

- Foundation strategic authority: Newly established combined authorities will be known as 'foundation strategic authorities'. Areas with combined authorities prior to the election of mayors and some areas that are engaged with the Government to form combined authorities already are likely to be the first 'foundation' authorities.
- 2. **Mayoral strategic authority**: By electing a mayor, foundation strategic authorities can become 'mayoral strategic authorities'. Recently formed combined authorities with mayors will have this status.
- 3. **Established Mayoral Authority**: After 18 months from electing a mayor and meeting governance/accountability tests, mayoral authorities can apply for 'established' status and receive an 'integrated funding settlement'. Six authorities qualify for this status: Greater Manchester, West Midlands (who have their settlements in place), and West Yorkshire, the North East, Liverpool City Region, and South Yorkshire, which will receive them for the financial year 2026/7.



From foundation, all strategic authorities will exercise some power in the following areas:

- Transport and local infrastructure
- Skills and employment
- Housing and strategic planning
- Economic development
- Environment and climate change
- Health wellbeing and public service (placemaking stuff about reducing multiple deprivation basically)
- Public safety

While foundation strategic authorities will be granted some control in all these areas, most power will be available once the authorities have elected mayors. And by attaining the final 'established mayoral' status, strategic authorities can qualify for an "integrated long-term funding settlement". This allows them more flexibility over how they spend money across their different responsibilities.

## **Greater devolution**

Under the plans, mayors can apply and be granted (or pilot) new powers. The Government will give the Secretary of State the ability to grant these by secondary legislation, which means that there won't need to be a vote in Parliament to approve the new powers.

Because the Government plans to review and grant applications each year, there could become a conveyer belt of growing competency, possibly growing from the competencies mayors will already hold. This will inevitably have implications for how strategic authorities think about the governance framework that surrounds new, and existing, competencies.

Rather than bolting on new oversight and management arrangements to accompany each additional competency, authorities are likely to need to think about their requirements holistically. Outside of the granting of more formal power, the White Paper also puts significant emphasis on new strategic authorities exercising 'convening powers'. This notion is best explained as a form of place leadership, which sees the mayor as a networker and power broker who can bring together diverse local stakeholders to work together on strategic goals.

Examples of 'convening power' include Greater Manchester Mayor Andy Burnham's attempts tackle homelessness. Or even attempts by Burnham and his former counterpart in the West Midlands Andy Street to explore the appetite for a private-



sector replacement to the cancelled stretch of HS2 between their mayoralties.

Mayors' convening powers are by nature hard to define but as the examples in Manchester and the West Midlands imply, they are likely to require robust political leadership to be effective. And the Government is interested in exploring how they can be coterminous with other forms of Government, including police, and the NHS.

Finally, Government has indicated it will make some significant changes to the governance arrangements of strategic authorities that it believes will make it easier for combined authorities to make bold, strategic decisions.

- Mayors will be able to 'call in' planning decisions that have been made by their constituent authorities, when they feel the decision of the local authority runs counter to the wider strategic needs of their area.
- By moving to majority voting in combined authorities, constituent local authorities will lose a veto power over decisions.
- Mayors will be given powers to appoint 'commissioners' to support delivery of key portfolios, in some cases even to delegate some mayoral functions to commissioners.
- Strategic authorities also benefit from overview and scrutiny committees
  whose membership is drawn from the non-decision-making councillors of the
  constituent councils. The previous Government published in 2023 a piece of
  guidance called the "Scrutiny Protocol" which sets out detailed arrangements
  on how the work of these committees should be carried out. The current
  Government has signalled its intention to enhance and develop the Protocol
  but as yet we don't know the detail of this.

# Local government reorganisation

In England there are two different systems of local council: areas that are covered by a 'unitary' council that delivers all council services; and areas with a two-tier system. These two-tier areas have:

 A county council that operates over a large area – mostly along the approximate boundaries of some of England's traditional counties. They tend to have relatively large populations – some have more than one million residents – and take care of services including children's services, adult social care, roads and waste disposal.



• Each county council area is itself divided up into smaller areas called districts or boroughs. Each has its own council which manages bin collections, leisure facilities and other local services like planning and licensing.

The White Paper argues that these two-tier council areas should be replaced by unitary authorities. The government says unitary councils are its preferred way to deliver local government services. In the White Paper it says they can "lead to better outcomes for residents, save significant money which can be reinvested in public services, and improve accountability with fewer politicians who are more able to focus on delivering for residents."

It is therefore inviting all the remaining two-tier county areas to submit proposals to create unitary authorities.

This will lead to the abolition of large numbers of district councils and county councils, and some smaller unitary councils, particularly in the south of England outside London.

Government argues that for new councils to benefit from efficiencies, they should at least cover an area of more than 500,000 residents. This move might also make it easier for areas that have not yet benefited from mayoral deals, most of which are two-tier. This is because district authorities are not constituents of combined authorities.

The deadline for submission of initial proposals is 21 March, but much of the detailed work in the design of new arrangements will be done over the summer.

Government has, to date, not published the precise criteria on which it will judge proposals, but it is likely that the timetable will look like this:

- Autumn: Government indicates which areas will be the first to be reorganised

   likely to include at least the four devolution priority areas that are currently
   two-tier. At this point Government will confirm the boundaries and names of
   the new authorities as well as the number of councillors that each new
   authority will have;
- Early 2026: Joint committees / Leaders' committees of the existing,
   "sovereign" councils will be established to begin planning for the creation of
   the new councils. At around this time Government will lay in Parliament
   "structural change" Orders which will place the changes on a legal footing;
- May 2026: shadow authorities will be established. Elections for shadow



authorities may be held in May 2026 but we are not yet sure. At first these organisations will have no staff or budget but over the course of the subsequent year arrangements will be made for them to prepare to take over the duties of the existing councils. The shadow authorities will appoint staff, and will hold formal council meetings, in order to make important decisions about their futures. The existing councils will need to consult with the shadow authorities when they propose to make certain decisions that will have a financial impact;

- Vesting Day (May 2027): the new councils in this cohort will "vest" (take responsibility for services across the area) in May 2027, immediately following the abolition of the old councils.
- Following on from vesting: the process of reorganisation does not end with vesting. Over the subsequent years services will be redesigned and reorganised to reflect the fact that they are being delivered across a different geographical "footprint" to before.

## **Scrutiny and governance**

The White Paper accepts that its plans for devolution require a re-evaluation of elements of councils' and strategic authorities' democratic, governance and scrutiny arrangements. Including in the following areas:

## Remote attendance and proxy voting

The Government says it wants to explore how councillors could attend meetings remotely – as part of efforts to encourage greater diversity and promote greater scrutiny, and is inviting formal proposals on how to do so. Similarly, it wants to hear views on how best to enable proxy voting.

### Holding mayors to account

The paper proposes an 'accountability framework' for the established mayors who have received integrated settlement funding, in order to measure outcomes from to their funding.

### Accountability and scrutiny of local spending

The Government says it wants to improve arrangements that ensure the public can hold strategic authorities to account for their spending decisions. These will be additional to the Government's plans to strengthen the existing framework for Strategic Authorities' Overview and Scrutiny committees. This



includes exploring the local public accounts committee model first proposed and developed by CfGS.

• Reforming the local audit system by establishing a new body for local audit, and introducing new local accounting officers to maintain grip on spending in a local area.

#### Standards

The Government has opened a consultation into local government standards – which closed at the end of February.

The role of local media in scrutinising local government decision making
 The Government says it will explore whether local authorities may be able to
 do more to support local media through greater transparency and access to
 information.

# **Exploring what these reforms mean**

The White Paper's changes for local government would be the biggest in more than 50 years, if they are seen through by government and by councils.

- Two-tier county and district councils would eventually disappear, although the time this will take remains unclear.
- In their place, larger authorities would slowly be established.
- This would mean that local councils would be larger, eventually with fewer councillors.
- Eventually we may would see "metro" mayors across all of England, but this
  may take some time. Many areas with mayors will reach the highest level of
  devolution with the greatest freedom to exercise their powers.
- There would be changes to the governance of how strategic authorities make decisions to ensure these bodies can prioritise wider interests.
- For now, the powers exercised by some mayors will be relatively modest but they are likely to get more power over time.
- Because of the way the government is asking areas to develop proposals both



to form new unitary councils and come together to develop combined authorities, councils face a 'twin' challenge. And, for many areas – particularly the six priority areas – there will be pressure to move quickly.

By standardising mayoralties and giving them growing competencies it inevitably means that scrutiny and governance will need to meet a new set of challenges. At CfGS we think this will require a step-change in the ambition of governance and scrutiny, and managing this process effectively in the next two to three years will produce real challenges for the sector.

There are profound questions to ask about the way, for example, mayors' 'convening power' can be adequately evaluated for its impact and value, when it, inevitably, will be reliant on the activities of a partnership that includes businesses, government agencies and other bodies all operating beyond the authority of the mayor.

Equally, strategic authorities' governance and scrutiny will need to be carefully thought about, when up until now these bodies have come together in a bespoke way. They will inherit set of growing expectations for delivering for their areas – and making good decisions about how they are governed and overseen will be essential.

While scrutiny and governance for councils will not face the same changing set of expectations, the decision to move from the county-and-district model in large areas of England presents its own challenges.

These include finding ways to make sure that transferring to successor councils is effective, and safe. But there is also a chance to seize a once-in-a-generation opportunity to address how local democracy addresses citizens, communities and places.

This includes deciding how places that lose the councils on their doorsteps can assert a level of decision making over their local services.

We will be working to tackle each of these and many other questions arising from the White Paper over the next few weeks and months, publishing our thoughts and research here on our website.

