

Ministry of Housing, Communities & Local Government: English Devolution White Paper – December 2024

Executive summary

England is one of the most centralised countries in the developed world. Devolution across England is fundamental to achieving the change the public expect and deserve: growth, more joined-up delivery of public services, and politics being done with communities, not to them. These are all key aspects of this government's Plan for Change. We believe it is only by redistributing political, social and economic power that we will rewire England and allow everyone everywhere to realise their full potential.

The foundation of modern devolution began in Scotland, Wales, Northern Ireland and London in the late 1990s. Since then, and despite austerity and insufficient funding for local government over the past 14 years, mayoral devolution has shown that it can be a vehicle for the change the public expect.

Mayoral devolution works because Mayors can use their mandate for change to take the difficult decisions needed to drive growth; their standing and soft power to convene local partners to tackle shared problems; and their platform to tackle the obstacles to growth that need a regional approach. It works because they have skin in the game and are accountable to their citizens. This White Paper initiates the biggest transfer of power out of Westminster to England's regions this century.

Widening devolution across England

Our goal is simple. Universal coverage in England of Strategic Authorities – which should be a number of councils working together, covering areas that people recognise and work in. Many places already have Combined Authorities that serve this role. The government will continue to develop new Strategic Authorities collaboratively and in partnership with places. However, in order to ensure that citizens across England benefit from devolution, and to ensure the effective running of public services, we will legislate for a ministerial directive. This will allow the creation of those Strategic Authorities where local leaders have, after due time has been allowed, not been able to make progress. This, combined with our plans to support local government reorganisation, will help align public service boundaries with Strategic Authorities and will ultimately lead to fewer politicians and a more efficient state.

Devolution by default will end the deals-based approach

Devolution policy is currently ad hoc and inconsistent. It is unclear to places what they can access, when they can access it, and under what conditions. The government will put a framework into legislation setting out the powers that go with each type of authority. The framework is a floor on our ambition, not a ceiling. Over time, we expect it to be added to and enhanced. The framework will be clear and easy to follow and will enable Mayors to drive growth and the public to hold them to account. The most far-reaching and flexible powers will be for Mayoral Strategic Authorities.

Unprecedented powers and budgets for Mayors

Getting things done in Mayoral areas. Mayors can find it impossible to do the basics, like pass the budget or implement an effective transport strategy, because unanimity amongst constituent councils is sometimes needed. Deploying a veto can be a political device and not in the best interests of getting houses built or growing the local economy. So, we will move Mayoral Strategic Authorities to simple majority voting, including the Mayor's vote, wherever possible.

An Integrated Settlement to fund local priorities. Mayors across England in receipt of government funding already have plans to deliver for their place. But that government funding comes with conditions, reporting requirements, forms to fill in and boxes to tick. Mayors have to slalom between pots of money to deliver the answer they already know is right. The Integrated Settlement will change that – starting with Greater Manchester, Liverpool City Region, North East, South Yorkshire, West Midlands and West Yorkshire Combined Authorities receiving a consolidated budget across housing, regeneration, local growth, local transport, skills, retrofit, and employment support.

This will enable Strategic Authorities to move funding between policy areas. It will lead to better value for money and outcomes for citizens, because in practice these programmes should not operate in departmental silos. New housing developments often depend on transport links and supporting people back into work often requires helping them to upskill.

Integrated Settlements will reform the way Strategic Authorities account to government for the funding they get. It will move away from the current complex and fragmented departmental monitoring and reporting requirements to a single, mutually agreed outcomes framework, monitored over a Spending Review period.

Transport. Since devolution in 1999, London is widely seen to have one of the best integrated transport systems in the world. Huge progress is being made across mayoral areas, not least in the introduction of the Bee Network in Greater Manchester, and Mayors in West Yorkshire and Liverpool City Region taking back control of their buses. But the government will be more ambitious still in three ways:

- The process for taking buses back into public control will be made faster and simpler.

- Mayors will be given a statutory role in governing, managing, planning and developing the rail network. In addition to partnerships with Great British Railways, Mayors of Established Mayoral Strategic Authorities will have a clear right to request greater devolution of services, infrastructure and station control where it would support a more integrated network.
- Mayors will take on powers to coordinate their road network, in partnership with constituent authorities and with less oversight from national government.

Skills and employment support. Mayors are central to driving local growth and supporting labour market and skills needs. To support them, we will take further steps:

- The majority of the Adult Skills Fund is devolved to existing Mayoral Strategic Authorities, but we need to go further. We will therefore remove ringfences from Skills Bootcamps funding and Free Courses for Jobs funding for Mayoral Strategic Authorities, providing them with much more flexibility. Supported employment funding will also be devolved to all local areas and form part of the Integrated Settlement.
- Strategic Authorities will take on joint ownership of the Local Skills Improvement Plan model, alongside Employer Representative Bodies, which set out the strategic direction for skills provision in an area.
- While 16-19 education is not a devolved function, Mayoral Strategic Authorities will have an important role working with employers to promote clear pathways from education and training into employment, including to help identify local industry placements for 16-19 year olds. This will support the Mayoral Strategic Authorities' critical role in the delivery of the Youth Guarantee announced in the Get Britain Working White Paper, overseeing 18-21 year olds participating in education, employment and training.
- The Get Britain Working White Paper also sets out an intent that all Mayoral Strategic Authorities will have a substantive role in co-designing any future non-Jobcentre Plus employment support, and Established Mayoral Authorities will have a substantive role in its delivery.

These changes will enable local areas to deliver on their Local Growth Plan and other strategies.

Housing and planning

Mayors are integral to delivering the 1.5m homes committed to in this Parliament. Therefore we will support Strategic Authorities and Mayors with new powers:

- All areas, with or without a Strategic Authority, will have to produce a Spatial Development Strategy, which will be adopted with support from a majority of constituent members. This policy change means more homes will get built.

- Mayors will also be given new development management powers, similar to those exercised by the Mayor of London. This will include the ability to call in planning applications of strategic importance.
- In conjunction with these powers, Mayors will be able to charge developers a Mayoral Levy to ensure that new developments come with the necessary associated infrastructure. A Mayoral Community Infrastructure Levy was introduced in Greater London in 2012 to help finance the Elizabeth Line.
- To enable Mayors to deliver on their plans, we will forge a stronger partnership between Homes England and Established Mayoral Strategic Authorities, increasing Homes England's accountability to Mayors. As part of this, the government intends, over time, to move Homes England to a more regionalised model so that the agency is even more responsive to the economic plan of an area.
- The government will further ensure that Mayors have the funding they need to deliver on their housing ambitions, with control of grant funding for regeneration and housing delivery.
- Established Mayoral Strategic Authorities will also have the ability to set the strategic direction of any future affordable housing programme.

Environment and climate change

The government has committed to making Britain a clean energy superpower. So that Strategic Authorities can play their role in this mission, we will make the following changes:

- Mayors will be handed control of retrofit funding as part of the Integrated Settlements, providing a strengthened route to local delivery of the Warm Homes Plan.
- Strategic Authorities will have a strategic role in the delivery of the Great British Energy Local Power Plans, delivering local sustainable energy generation.
- They will also have a role in the wider energy system, delivering our transition to Net Zero, become the zoning co-ordinators for local heat networks, and with their plans taken into account in the National Energy System operators' Regional Energy Strategic Plans.
- Finally, we will expand Strategic Authorities' role in leading Local Nature Recovery Strategies.

Supporting businesses and research

The growth mission means delivering good jobs across the country. We will support businesses to deliver through strengthening Strategic Authorities' role in the business ecosystem:

- Growth Hub funding will be rolled into the Integrated Settlement.
- The Office for Investment will work with Mayors to develop and market strategic investment propositions.

- We will work with Established Mayoral Strategic Authorities to develop a future regional innovation funding programme as part of the second phase of the Spending Review, and UK Research and Innovation will extend its regional partnerships to other Mayoral Strategic Authorities.
- Strategic Authorities will also be key partners in boosting culture, heritage and the visitor economy, supported by close integration with arm's length bodies like Historic England.

Reforming and joining up public services

Successive governments have tried to join up the constituent parts of public services. One of the simplest and most effective means of doing so is bottom up, through place. The government's view is that it is a good thing the Mayor of South Yorkshire is both the Police and Crime Commissioner for the region and the Chair of the Integrated Care Partnership. This makes it more likely that those services deliver for citizens. Join-up also leads to fewer politicians. This White Paper sets out an intention to do more:

- Where geographies align with Police and Crime Commissioner and Fire and Rescue Authorities, Mayors will, by default, be responsible for those services.
- We will explore, in time for the English Devolution Bill, the possibility of a single Mayor taking on Police and Crime Commissioner and Fire and Rescue Authority responsibilities across two or more Police Force and Fire and Rescue Authorities, where boundaries align.
- We will introduce a new bespoke duty for Strategic Authorities in relation to health improvement and health inequalities. We will introduce an expectation that Mayors are appointed to Integrated Care Partnerships and are considered for the role of Chair or Co-Chair. The Mayor should also be engaged in appointing Chairs of Integrated Care Boards.
- Over the long term, the government is announcing an ambition to align public service boundaries, including job centres, police, probation, fire, health services and Strategic and Local Authorities.

Hardwiring devolution into central government

While this White Paper sets out unprecedented powers and responsibility for Mayors, for too long the priorities of places have been largely ignored by government departments. New forums, such as the Council of Nations and Regions chaired by the Prime Minister, and the Mayoral Council, chaired by the Deputy Prime Minister, will change that. Mayors will have a statutory duty to produce Local Growth Plans which will hardwire their local growth priorities into the way the UK government works. Further, national agencies and arm's length bodies such as Homes England,

Great British Railways, National Highways, Great British Energy and the National Energy System Operator, and funding bodies like the Arts Council England, will be asked to reconfigure how they work so that the national and the local work seamlessly to benefit the public. Established Mayoral Strategic Authorities will be able to propose that they are responsible for future initiatives that fall within their area of responsibility, effectively giving them first refusal on new policy initiatives where appropriate.

Local government reorganisation

Unitary councils 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. This White Paper announces that we will facilitate a programme of local government reorganisation for two-tier areas, and for unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality public services. We will invite proposals for reorganisation from all these areas. We will take a phased approach to delivery, taking into account where reorganisation can unlock devolution, where areas are keen to move quickly or where it can help address wider failings. We are clear that reorganisation should not delay devolution and plans for both should be complementary. We will work closely with areas to deliver an ambitious first wave of reorganisation in this Parliament. New unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decisions will be on a case-by-case basis.

Local government taking back control

We will rebuild local government after 14 years of mismanagement and decline. Councils are the foundation of our state. They are deeply embedded in the everyday life of people, but have been run into the ground in recent years. We will reset the relationship with local government, to give the sector more autonomy and put councils on the road to recovery. We will provide multi-year settlements, updating the way we provide funding to local government, end micro-management, and move to a meaningful partnership between central and local government. We will rebuild local authority workforces and modernise how councils do business. We will recognise the vital role of local councillors as frontline community convenors, and executive members and leaders as partners in delivering the government's missions. And we will end the current parent-child dynamic. It is nonsensical that the Secretary of State for Housing, Communities and Local Government has to agree before councils can set rules on where people can ride bikes or climb trees in parks. It is costly, inefficient and patronising that the Secretary of State for Transport has to agree to a new cattle grid or to converting a footpath into a cycle lane.

A new approach to communities

We will give local councils greater control over the activities of establishments and premises that can cause health and environmental issues. We will enhance protections for assets and high streets. We will continue to work in partnership with our most deprived communities to tackle their unique challenges. And we will look at the case for strengthening communities with greater rights to be involved in their local issues, as well as delivering a new community 'right to buy' for valued community assets, such as empty shops, pubs and community spaces. This will empower local people to bring community spaces back into community ownership and end the blight of empty premises on our high streets.

Leaders that are more accountable to the public for delivering change and have the capacity they need

We will secure devolution for the long term, strengthening accountability and building capacity. We will deliver improvements to the accountability system for devolution, including an outcomes framework for Integrated Settlements, so it remains fit for purpose as we devolve more powers and funding. And we will improve external scrutiny of local public spending through reforms to the local audit system, and to local government standards and oversight. To build capacity at all levels, we will ensure the right people are available for the job, seconding out from central government if needed. We will support Mayors to collaborate on larger regional footprints, and we will rebuild local authority workforces and modernise how councils do business.

Next steps

- **Widening devolution:** The government has already started to deliver on the plans set out here, with 2 new Mayors and 6 non-mayoral devolution agreements confirmed since July, getting powers to local areas sooner. We are doubling down with a new Devolution Priority Programme for places ready to match our ambition.
- **Deepening devolution:** We are delivering deeper powers for more areas, increasing the number of Mayoral Strategic Authorities we are committing to give Integrated Settlements to 6, and considering how to apply it to London. We will now work with the Mayoral Council on delivering the ambitious Devolution Framework, and where relevant will shape the details of proposals with spending implications through the Spending Review process.
- **Local government reorganisation:** We will work with individual areas, inviting proposals from all remaining 2-tier areas and those unitary councils where there is evidence of failure or their size or boundaries may be hindering their ability to deliver sustainable and high-quality services to their residents.
- **We also recommit to the English Devolution Bill**, which will be introduced in the first session, subject to parliamentary time, putting the

Devolution Framework into statute and moving to a systematic approach that ensures local leaders have the powers they need.