



Hincley & Bosworth
Borough Council

Council: 28 January 2025
Wards affected: All wards

Government's English Devolution White Paper

Report of Chief Executive

1. Purpose

To report on the recent publication of the government's English Devolution White Paper, setting out the key features and implications for the Council.

2. Recommendation

- i) That Members note and consider the proposals set out in the Devolution White Paper as summarised in this report.
- ii) Note the emerging position across Leicestershire and Rutland in respect of the response to the White Paper.
- iii) Confirm the Council's position and next steps in respect of response of the White Paper.
- iv) Delegate authority to the Chief Executive, in consultation with the Leader of the Council, to continue working with neighbouring local authorities and undertake any work required to facilitate an effective response to the White Paper.

3. Background

- 3.1 On the 16 December 2024, Jim McMahon, the Minister of State for Local Government, wrote to the Council confirming the publication of the English Devolution White Paper. This sets out the governments ambition and key elements of the White Paper. A second letter was also received from the same Minister, by Leaders of all two-tier areas, setting out the government's long-term vision for simpler structures with a commitment to write further in January 2025 to invite unitary proposals from all councils in two tier areas and small neighbouring unitary authorities. This will be covered further in the report.

Summary of Key Components of Devolution White Paper

- 3.2 Much of the White Paper focusses on the new framework for devolution and the powers that will be devolved to regions.
- 3.3 The White Paper sets out a comprehensive plan to deepen devolution in England and reform local government structures. Central to this ambition is to extend devolution to all parts of the country, enhancing powers for mayors and replacing two-tier local government with single-tier unitary authorities.
- 3.4 **Mayoral powers and responsibilities** - the government plans to equip mayors with an expansive set of powers in areas such as planning, housing, transport, skills and energy. These changes aim to enable local leaders to drive growth, boost housebuilding and improve infrastructure.
- 3.5 **Strategic Authorities** - the Devolution Framework sets out that all combined authorities will become Strategic Authorities. There will be three types of strategic authorities:
- i) Foundation Strategic Authorities - non mayoral combined authorities (CA), Level 2 County Combined Authorities (CAA) or any local authorities designated as a strategic authority without a Mayor.
 - ii) Mayoral Strategic Authorities - Greater London Authority, Mayoral Combined Authorities (MCA).
 - iii) Established Mayoral Strategic Authorities i.e. North East, West Midlands, Greater Manchester and Liverpool City region and South and West Yorkshire.
- 3.6 The White Paper restates that government's intention to ultimately have a Mayoral Strategic Authority for all areas. In two-tier areas, government will only establish CCAs for an interim period.
- 3.7 It sets out the following principals by which proposals for devolution and establishing MCAs would be considered including:
- **Scale** - The government's three-tier devolution framework priorities creating large 'strategic' Mayoral authorities serving over 1.5m people.
 - **Economic** - Strategic Authorities must cover sensible economic geographics with a focus on functional economic geographies.
 - **Contiguity** - proposed geographies must be contiguous across its constituent councils
 - **No 'devolution' islands** - local areas must not create 'devolution islands' by having areas too small to go it alone.
 - **Delivery** - authorities should ensure effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Back to Work Plans.
 - **Alignment** - Government will seek to promote alignment between devolution area boundaries and other public services e.g. police, health and fire.

- **Identity** - it is expected local identify will be important to allow local residents to engage effectively with the new authorities.

Local Government Reorganisation (LGR)

- 3.8 Of particular concern to this Council are the plans set out by government for a broad programme of reorganisation for all two-tier areas. It will also consider reorganisation proposals for small unitary areas when there has been financial failure or size may inhibit delivery of sustainable and high-quality public services.
- 3.9 The government expect a phased approach to this. The White Paper stipulates that reorganisation should not delay devolution and any reorganisation must complement devolution.
- 3.10 **Target Population Size** - whilst the White Paper sets out an expectation that new unitary councils will have a population of at least 500,000 – it does indicate that there may be exceptions to this ‘to ensure new structures make sense for an area’. Indeed, the Minister and Secretary of State have recently indicated that population levels of between from 350,000 may be considered. All proposals will be considered on a case-by-case basis.
- 3.11 It is worth noting that only 11 of the 130 existing unitary councils nationally have a population of more than 500,000.
- 3.12 Other elements of the White Paper and more details on the above are set out in the appendix to this report.

Key Headlines on Local Government Reorganisation

- 3.13 Councils in all 21 two-tier areas expected to re-organise over this parliament.
- Main reasons given:
- i) efficiency savings
 - ii) service transformation
 - iii) reducing workforce pressures
 - iv) increasing local accountability
- 3.14 Government has said it will not impose reorganisation, but proposals are expected from all areas.
- 3.15 The government intends reorganisation to happen in a phased approach, with the first wave of new unitary councils expected by April 2027 and second wave from April 2028.
- 3.16 Reorganisation is not a requirement for devolution, but government has indicated it will prioritise areas where reorganisation can unlock devolution.
- 3.17 Government has stated that all councils in an area should contribute to developing unitary proposals ‘in the best interests of the whole area’ and that there should not be competing proposals.

4. Key Next Steps

4.1 The government is establishing a Priority Programme for areas wishing to fast-track devolution and LGR.

- Applications for this needed to be submitted by 10 January 2025. It was generally expected that this was for areas with well-developed existing devolution plans.
- County Councils can apply to cancel their elections as part of joining the Priority Programme. The deadline for this was 10 January 2025. A proposal was submitted by the upper tiers in Leicestershire and Rutland for the cancellation of the May County Elections.
- The government will advise by end of January 2025 on initial proposals accepted on the Priority Programme. Initial proposals then have to be submitted by March 2025 with final proposals by May 2025.
- The government will write to all LAs in January 2025 to invite proposals for Devolution and LGR.
- Submissions are due back in autumn 2025 - although Priority Programme Areas need to be submitted in May 2025.

4.2 It should be noted that the government has stated that all councils in an area should contribute to developing unitary proposals in the best interest of the whole area, and that there should not be competing proposals. The government want broad support but not necessarily unanimity.

5. Local Position

5.1 This will be updated further at Council. Some key points to note are:

- The district leaders have written to the Minister confirming that local government in Leicestershire is not broken and reorganisation is not necessary.
- That a single County Unitary is not acceptable.
- There is support for a Mayoral Strategic Authority on the Leicestershire, Leicester City and Rutland footprint (LLR).
- Any new unitary council should take effect no sooner than April 2028.
- The County elections should proceed as planned.

6. Conclusion

6.1 This report sets out the government's intention for a fundamental change in local government over the next few years. This will have implications for how services will be delivered to residents and businesses in the future, local political accountability and representation and on staff of our organisation

6.2 Members are invited to debate the contents and implications of this report and determine the Council's next steps.

7. Exemptions in accordance with the Access to Information procedure rules

None.

8. Financial implications (AW)

The financial implications of devolution and the associated Local Government reorganisation have significant and wide-ranging implications for HBBC and its services. It is too early to provide a detailed summary of these implications as the exact detail, timing and future basis of devolution is not yet agreed for the Leicestershire area. Once more information is available it will be reported to members.

9. Legal implications (ST)

None.

10. Corporate Plan implications

The changes proposed in the White Paper could have significant implications on the Council's ability to deliver on the priorities set out in the Corporate Plan, impacting on communities and local businesses.

11. Consultation

None.

12. Risk implications

12.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

12.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

12.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) risks		
Risk description	Mitigating actions	Owner
No consensus can be reached on the right approach for devolution and LGR across Leicester, Leicestershire and Rutland	Working with neighbouring LAs to secure an acceptable agreement	SLT

Focus and resources diverted to support the development of devolution and LGR proposals lead to an inability to deliver existing corporate priorities.	To be kept under continual review by SLT	SLT
Impact on staff morale resulting from uncertainty linked to any potential changes leads to loss of key staff and erosion of organisational integrity and effectiveness.	Regular communication to all staff and members during a period of uncertainty	SLT
Concern from residents and businesses that any proposals will create organisations which are too remote from local communities and reduce accessibility	Working with neighbouring authorities as part of any LGR proposals	SLT
Perception that any proposals will erode democratic accountability due to the reduction in elected members	The lobbying by senior members to Government	Political Leaders

13. Knowing your community – equality and rural implications

- 13.1 There are key risks that the creation of larger unitary councils will be too remote from local communities and reduce accessibility to services.

14. Climate implications

- 14.1 There is potential that the Devolution White Paper could impact on the Council’s ability to deliver on its Climate Change Strategy due to the timescales set out by government.

15. Corporate Implications

- 15.1 By submitting this report, the report author has taken the following into account:
- Community safety implications
 - Environmental implications
 - ICT implications
 - Asset management implications
 - Procurement implications
 - Human resources implications
 - Planning implications
 - Data protection implications
 - Voluntary sector

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Appendix I

English Devolution White Paper

Overview of Key Points

- This briefing provides a factual summary of the key points for DCN member councils in the English Devolution White Paper.
- You can find the full White Paper [here](#) and the DCN's initial press statement [here](#).
- DCN will continue to engage all our members as further detail emerges. This will include material to use with your MPs, setting out the DCN's views and requesting their support as we seek to secure the best possible outcome for our councils and residents during this phase.

Devolution

- Much of the White Paper focuses on the new framework for devolution and the powers that will be devolved.
- In the new devolution framework, all combined authorities will be referred to as Strategic Authorities. There will be three types of Strategic Authority:
 - **Foundation Strategic Authorities** – non-mayoral Combined Authorities (CA), Level 2 County Combined Authorities (CCA), or any local authorities designated as a Strategic Authority without a mayor.
 - **Mayoral Strategic Authorities** – Greater London Authority, Mayoral Combined Authorities (MCA) and Mayoral Combined County Authorities (MCCA).
 - **Established Mayoral Strategic Authorities** – any Mayoral Strategic Authorities that meet specific criteria, in particular having had a directly elected mayor for at least 18 months. Initially these will be North East, South Yorkshire, West Yorkshire, West Midlands, Greater Manchester and Liverpool City Region Strategic Authorities.
- The White Paper restates Government's ambition that all areas will ultimately have a Mayoral Strategic Authority. In two-tier areas, government will only establish CCAs for an interim period.
- In CCAs, districts will continue to be denied the right to be constituent members. However, the White Paper says that the Government expects effective levels of collaboration to be demonstrated between constituent members and district councils - especially where the district council covers the primary city or economy in that county.
- The Secretary of State will be given the power to create a Strategic Authority by ministerial directive where local consensus cannot be achieved on devolution proposals.
- Governance arrangements for all Strategic Authorities will be changed so that that most decisions will require only a majority vote, including the mayor.
- All areas, regardless of whether they have a Strategic Authority in place, will have to produce a Spatial Development Strategy.
- All Strategic Authorities will be required to produce a local growth plan.
- The White Paper revives the previous Government's proposals for taxi and private hire vehicle licensing to be removed from district councils in two-tier areas and reallocated to Local Transport Authorities.

- Strategic Authorities will have defined areas of competence. The White Paper indicates the types of power that will be devolved. These areas are:
 - Transport and local infrastructure.
 - Skills and employment support.
 - Housing and strategic planning.
 - Economic development and regeneration.
 - Environment and climate change.
 - Health, wellbeing and public service reform.
 - Public safety.

Local Government Reorganisation

- Councils in all 21 two-tier areas will be expected to reorganise over this Parliament and the next. The Government intends reorganisation to happen in a phased approach, with the first new unitary councils expected before the end of this Parliament.
- Reorganisation may also affect smaller unitary councils outside two-tier areas, especially if they are struggling to remain financially viable.
- Reorganisation is not a requirement for devolution. But the Government has indicated it will prioritise areas where reorganisation can unlock devolution.
- The Government has set a clear expectation that new unitary councils should be based on a population size of at least 500k. But it has indicated it will consider smaller unitary councils on an exceptional basis where there is evidence that this would make sense for a local area.
- The White Paper does not set out any other specific criteria for acceptable reorganisation proposals.
- The Government will not impose reorganisation in any areas. But it will write to all principal councils imminently and encourage initial proposals to be submitted quickly.

Other announcements

- The Government will reform local audit and rebuild the wider assurance and early warning system for local government. As a first step it will close the Office for Local Government (Oflog). It has committed that it will not return to a 'bloated Audit Commission'.
- There will be a mandatory code of conduct for councillors to ensure consistency and establish a higher minimum standard across all local authorities.
- A national body will deal with the most serious cases. Councils will be empowered to disqualify councillors if they are subject to suspension more than once.
- The White Paper includes several measures intended to support and develop elected members. They include:
 - Seeking views on proposals to enable elected members to attend formal council meetings remotely and on enabling elected members to use proxy voting.
 - Removing the requirement for an elected member's home address to be published.

Local Government Reorganisation

- The Government will encourage a broad programme of reorganisation for all two-tier areas. It may also accept reorganisation proposals involving small unitary councils where there has been financial failure or where size may hinder delivery of sustainable and high-quality public services.

- The Government will take a phased approach, giving priority to areas where reorganisation can unlock devolution. But the White Paper stipulates that reorganisation should not delay devolution and any reorganisation proposals must complement devolution.
- The Government's clear expectation is that new unitary councils will have a population of at least 500,000. The White Paper indicates that the Government may consider exceptions to this threshold 'to ensure new structures make sense for an area'. Any exceptions will be agreed on a case-by-case basis.
- It is worth noting that only 11 of the 130 existing unitary councils have a population of more than 500,000. The White Paper contains no specific rationale for choosing the 500,000 threshold. It simply asserts that it is the right level to 'achieve efficiencies, improve capacity and withstand financial shocks'.
- The White Paper's stated reasons for pursuing reorganisation are:
 - Delivering efficiency savings
 - Service transformation
 - Reducing workforce pressures
 - Increasing local accountability
- Government is clear that all councils in area should contribute to developing unitary proposals 'in the best interests of the whole area' and that there should not be competing proposals.
- Government's ambition is for the first wave of these new authorities to be established before the end of this parliament, starting in April 2027.

Future Devolution Agreements

- The White Paper sets out the following principles against which all devolution proposals will be considered (whether existing or new proposals):
 - **Scale:** Strategic Authorities are assumed to have a combined population of 1.5 million or more. In some places, smaller authorities may be necessary.
 - **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.
 - **Contiguity:** Proposed geography must be contiguous across its constituent councils - either now or with a clear plan to ensure contiguity in the future through agreed local government reorganisation.
 - **No 'devolution islands':** Local areas must not create 'devolution islands' by leaving areas which are too small to go it alone or which do not have natural partners.
 - **Delivery:** Authorities should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.
 - **Alignment:** Government will seek to promote alignment between devolution boundaries and other public sector boundaries.
 - **Identity:** Successful devolution will rely on the ability for local residents to engage with and hold their devolved institutions to account – and local identity plays a key role in this.

Existing Strategic Authorities

- All existing Strategic Authorities (SAs) will move to simple majority voting, regardless of the governance model set out in their existing settlement and legislation.
- 30-year investment funds will remain in place as a key part of the funding arrangements for SAs.

- All Mayoral SAs will receive integrated financial settlements to combine funding across housing, regeneration, local growth, local transport, skills, retrofit, and employment support. This will first be received by Established Mayoral Strategic Authorities.
- Government will amend existing legislation to enable SAs to raise a larger council tax precept to reflect the full range of powers they will now hold. Mayors can also allocate the funding they receive without being bound by direction from Westminster about how their wider budget is spent.
- A summary of these new powers and priorities is set out below:
 - **Housing and Planning:** Mayors will receive development management powers to call in applications, in the same way as the Mayor of London. Mayors will also control grant funding for regeneration and housing delivery. All areas – whether or not they have a Strategic Authority – will have to produce a Spatial Development Strategy for strategic planning.
 - **Transport:** Mayors will have a statutory role in governing, managing and developing the rail network to deliver a more integrated network. They will also gain powers to coordinate their road network. Established Mayoral SAs will have the right to request rail devolution.
 - **Environment:** Established Strategic Authorities will help deliver Great British Energy Local Power Plans to support small-medium renewable energy projects locally.
 - **Support businesses and research:** Growth Hub funding will be rolled into the Integrated Settlement. The new Office for Investment will work with mayors to develop and market strategic investment propositions.
 - **Public safety:** Police & Crime Commissioners and Fire & Rescue authorities will fall to mayors where geographies align. Government will consult on mayors taking contracts across two or more such authorities where boundaries align.
- Pages 86 to 90 of the White Paper contain a useful table summarising the powers on offer to Strategic Authorities.

Devolution of Powers and Funding

Housing and planning

- All geographic areas, regardless of whether there is an SA in place, will have to produce a Spatial Development Strategy (SDS) with agreement from the majority of affected members.
- For Foundation SAs these may need to be agreed with neighbouring authorities to provide a suitably large geography.
- Where no Strategic Authority is in place or planned to be in place, the government will take a power through the forthcoming Planning and Infrastructure Bill to direct defined groupings of county councils, unitary councils, and in some cases Foundation Strategic Authorities to deliver a SDS.
- The SDS will guide development for the Local Planning Authorities in the area, and their Local Plans will need to be in general conformity with the SDS. The White Paper indicates that Local Planning Authorities should not delay development of Local Plans while they await the adoption of the SDS.
- Mayoral SAs will be empowered to develop and propose the spatial strategy for their area in partnership with constituent members. Approval will require only a majority of councils to agree.
- Mayors will receive control of all grant funding for regeneration and housing delivery.
- There will be stronger partnership between Homes England and Established Mayoral SAs, increasing the accountability of this and other arms-length bodies to local Mayors.
 - This will follow changes to Homes England to ensure it operates on a more regional and place-based operating model.
 - Mayors will have the ability to set strategic direction of any future affordable housing programme in their area.

Environment and climate change

- SAs will have a role in the reforming the energy system, coordinating local heat networks and directing Regional Energy Strategic Plans being developed by the National Energy Systems Operator.
- SAs will have an expanded role to lead Local Nature Recovery Strategies and other partnerships to coordinate action, funding and investment in nature recovery.
- All Established Mayoral SAs will receive Warm Homes funding as part of their integrated settlement by the end of the parliament. This includes the Public Sector Decarbonisation and the Social Housing Decarbonisation funds.
- Future roles for mayors on nature protection will be explored with SAs. This could include issues like water management, the circular economy, pollution, or flood resilience.
- The White Paper also mentions greater leadership in mitigating the impact of climate change and a better route for rural communities to be considered in local policy decision-making.

Supporting businesses and research

- Government will work with Established Mayoral SAs to develop a future regional innovation funding programme in the upcoming two-year Spending Review.
- 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.
- Innovate UK will work with all Mayoral Strategic Authorities to produce joint plans to shape long-term innovation.

Reforming and joining up public services

- Government will introduce a new bespoke duty for Strategic Authorities in relation to health improvement and health inequalities. It is expected that mayors should be automatically considered as Chair or Co-Chair for Integrated Care Partnerships.
- There is a long-term ambition to align public service boundaries, including job centres, police, probation, fire, health services, with SAs and local councils.
- Government will work with Mayors to explore how skills, employment, health and housing levers can come together to support offender rehabilitation and reintegration.

Skills and employment

- All SAs will have joint ownership of the Local Skills Improvement Plan model and devolved control of core adult skills funding.
- Mayoral SAs will have devolved control of non-apprenticeship adult skills funding. They will also need to ensure there are clear pathways of progression from education into further or higher education and employment for 16–19-year-olds.
- Mayoral SAs will work with government to co-design the future landscape of non-Job centre Plus support more widely.

Transport

- For Established Mayoral SAs, the integrated settlement will include local transport funding streams from 2027/28. There will also be funding consolidation for Strategic SAs.
- Mayors will establish a Key Route Network and have the Power of Direction over the network to deliver their Local Transport Plan.

- Mayoral authorities will have the power to charge for works on busy roads at busy times to minimise disruption, through Lane Rental schemes.
- Strategic Mayoral SAs must be engaged with in national rail planning processes, to reflect local rail ambitions.
 - Following on the powers announced in the Buses Bill, Strategic Mayoral SAs will develop plans to decarbonise local bus fleets and to reduce air pollution from this.
 - Active Travel England will work with Strategic Mayoral SAs to increase capability and capacity, with mayors having power to request capability assessments for constituent authorities.