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MEMBERS ROOM DOCUMENTS

11 **DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION**
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Government White Paper.

Friday, 27 December 2024

Director of Legal and Governance



Ministry of Housing,
Communities &
Local Government

Policy paper

English Devolution White Paper

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Presented to Parliament
by the Secretary of State for Housing, Communities and Local Government
by Command of His Majesty

Foreword by the Deputy Prime Minister

The British people deserve an economy that works for the whole country, with control over the things that matter to them. But today the country remains divided^[footnote 1], living standards are stagnating and the foundations of a good life are crumbling^[footnote 2]. England, like the whole of our United Kingdom, is bursting with ambition and potential. Our country has the raw ingredients to ignite growth across our regions, with high-skilled workers, leading universities and world-class businesses. Although talent and potential exist in every town, city and county, opportunity is not being developed or shared evenly.

The number one mission of this government is to relight the fire of our economy and ignite growth in every region. To do this, we need to end this ‘cap in hand’ approach to our regions, where towns and cities are pitted against each other, fighting for a small portion. Because the truth is that for all the promises of levelling up, when the rubber hits the road, central government’s first instinct is all too often to hoard power and hold our economy back. We have an economy that hoards potential and a politics that hoards power. England is one of the most centralised developed countries^[footnote 3]. Too many decisions affecting too many people are made by too few. The controlling hand of central government is stifling initiative and development throughout the country. It is no wonder that the UK has more regional inequality^[footnote 4], slower wage growth^[footnote 5], and a relative decline in living standards compared to other developed countries^[footnote 6]. Micromanaging from the centre combined with short-term, sticking-plaster politics has left England’s regions in a doom loop, unable to achieve their potential.

If we are going to build an economy that works for everyone, we need nothing less than a completely new way of governing – a generational project of determined devolution. Because the Westminster system is part of the problem. Whitehall is full of layers of governance and bureaucracy, controlled and micromanaged from the centre. To truly get growth in every corner of the country and put more money into people’s pockets, we must rewire England and end the hoarding in Whitehall by devolving power and money from central government to those with skin in the game.

Within days of the election, one of the first things I did as Deputy Prime Minister, alongside the Prime Minister, was to welcome England’s regional Mayors to Downing Street. I invited them around the table early on, because

I know that we cannot bring about the change and the national renewal we were elected to deliver without them. They are best placed to serve their residents – using their powers and regional vantage point to bring in good, well-paying jobs, to build affordable homes and to link up our communities with high quality public transport.

That is why I am wasting no time in finally giving local leaders and communities the tools they need to deliver growth for their area and raise living standards in every part of the country. This matters for all of us. We have the raw ingredients for success in every corner of our nation: skilled workforces, competitive industries and a brilliant capacity for innovation. It is a failure of government that for so many years our potential has been untapped.

Ending this cycle means a permanent shift of power away from Whitehall and into the hands of those who know their communities best. It means efficient and accountable local and regional government, with local champions who understand their local places, their identities and strengths, and how to harness them. This White Paper sets out how we will achieve this, backed up by our landmark English Devolution Bill, which will empower communities to take back control from Westminster. Taking back control – if it means control for communities, not politicians in Westminster – is absolutely essential for growth.

Everyone deserves control over the things that really matter in our daily lives – from the security of a good job, to trusting that good public services will be there when we need them. I know from my own time working as a home helper for Stockport Council that strong local government, led in the interests of local people, can transform lives.

Accountable local leaders, single-mindedly focused on delivering for local people. This is the kind of change that is so badly needed to restore trust in politics as a force for good.

This government will drive change at every level.

We will give communities stronger tools to shape the future of their local areas, including through a strong new right to buy and maintain beloved community assets.

We will get councils back on their feet, by providing long-term financial stability, strengthening standards, streamlining structures and ending the destructive ‘Whitehall knows best’ mindset that micromanages their decisions.

We will give Mayors strong new powers over housing, planning, transport, energy, skills, employment support and more, backed up with integrated and consolidated funding.

Devolution will no longer be agreed at the whim of a Minister in Whitehall, but embedded as a default into our country's constitution. We will rewire national government so that our first instincts are to deliver in partnership with Mayors and council leaders, not sideline them until the last moment.

This government will, at last, do the job properly. Our devolution revolution will help us rebuild our country so that it works for working people, and deliver on our Plan for Change.

This government will change our economy with a decade of national renewal, to deliver growth that can be felt in the pockets of working people. And we will change our politics, so that decisions are made with communities, not done to them.

That's what it means to take back control, and that's what we will deliver.

The Rt Hon Angela Rayner MP

**Deputy Prime Minister and Secretary of State for Housing,
Communities and Local Government**

Foreword by the Minister of State for Local Government and English Devolution

We are determined to change our economy, with a decade of national renewal to deliver growth that can be felt in the pockets of working people – where pride is renewed and security at home, in local communities and at work is secured.

This White Paper sets the direction of travel. It will provide places with the tools they need to deliver the government's ambitious Plan for Change, empowering them to tackle the crisis we inherited with poor outcomes for local public services, with significant parts of our economy being under-powered and opportunity denied for working people to get on in life.

This government is committed to resetting the relationship with local and regional government, empowering local leaders and Mayors to make the right decisions for their communities, and working together to grow an inclusive economy, reform public services and secure better outcomes.

So, as we set out the path to rebuilding and reforming local government as the foundation of devolution, much of it will focus on getting the basics right: resetting the framework to ensure the sector is fit, legal and decent; giving security in the Finance Settlement by updating the way we assess local

need to provide better value for money and delivering multi-year settlements free of the shackles of unnecessary restrictions; fixing the broken audit and early warning system; and raising standards and modernising democratic working practices.

We must end the top-down micromanaging of individual decisions and approaches by local leaders and replace it with a principle of constitutional autonomy and partnership. Everyone – from frontline councillors convening their communities, to regional Mayors leading strategic economy policy – needs the tools and trust to deliver change. There must be a genuine relationship of equals, mutual respect, and collective purpose built around the missions to transform the UK, with clear outcomes local people will see and feel.

This is ambitious, but it isn't new. This programme of reform continues the work of the '97 governments onward which saw the formation of the Mayor of London, the devolved parliaments and assemblies in Scotland, Wales and Northern Ireland, and freedoms for local government, with the creation of Combined Authorities, the power of economic, social and environmental wellbeing, and more locally the introduction of quality parish status.

The work to repair the foundations, bring in consistent and accountable structures, and shift decision making outwards, is not the end in itself. It should only be seen as a means to realising the change the country voted for, and which the electorate will judge the government on.

Jim McMahon OBE MP

Minister of State for Local Government and English Devolution

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.

1. Facing the future

1.1 Barriers to national renewal

England has widespread potential for prosperity, but that potential is not being met

Like the whole of the UK, all regions in England have the raw ingredients to ignite growth. They have high quality research institutions, innovative economic clusters, some of the most successful start-up hubs in Europe, and a hard-working and highly skilled workforce.

The government's Green Paper, Invest 2035: the UK's modern Industrial Strategy, sets out that these strengths, and the opportunities they create, are distributed across the country^[footnote 7]. That is why we see burgeoning clusters like:

- Life sciences in places like Cambridgeshire and Peterborough and Liverpool City Region
- Financial services in places like West Yorkshire and London
- advanced manufacturing in places like Greater Manchester, the West Midlands, the North East, and South Yorkshire
- Clean energy and green industries in places like the North East, the East Midlands^[footnote 8], the West Midlands^[footnote 9], Tees Valley, York and North Yorkshire^[footnote 10], and around the Humber
- Digital industries in the West of England
- Defence, with two-thirds of UK's defence spend outside London and the South East^[footnote 11].

Despite these clearly visible strengths, opportunity is being stifled. We have an economy that hoards potential, and a politics that hoards power. It is no

wonder that our economy has flatlined, with UK GDP per capita lower than pre-pandemic levels. This has undermined living standards. As the 2024 Autumn Budget set out, if the UK economy had grown at the average rate of Organisation for Economic Co-operation and Development (OECD) countries over the past 14 years, GDP would have been £171bn larger. [\[footnote 12\]](#) Working people have paid the price through stagnating living standards and higher taxes.

Harnessing our growth potential across the UK is fundamental to turning this around. For too long we have failed to make use of the untapped strengths we see in towns, cities and counties across the country. The economic gains are potentially huge – if English cities outside of the capital met their productivity potential compared to similar cities in other countries, national economic output could be £34bn-£55bn larger per year [\[footnote 13\]](#).

That is why the government is committed to fixing the foundations of the economy and has begun a decade of national renewal, with growth as its central mission. And whereas some places are held back by infrastructure, others are by skills. So to drive change, dedicated local knowledge, leadership and interventions are needed, led by strong and empowered institutions [\[footnote 14\]](#).

This White Paper concerns devolution and local government arrangements across England. It does not cover devolution in Scotland, Wales and Northern Ireland. The devolution of powers to local authorities within Scotland, Wales and Northern Ireland would be the responsibility of their respective devolved government. Respect for devolution and collaboration with the Devolved Governments in these nations remains central to this government's approach to rebuilding the country.

Regional growth – the missing local government investment

The Industrial Strategy Green Paper set out that the UK has often ranked in the bottom 10% of OECD countries for investment. This is mainly driven by low levels of private sector investment, though public sector investment has tended to be relatively low as well. UK total public investment, at 3% GDP, was 26th out of 38 OECD countries, against an OECD average of 3.6% GDP in 2022 [\[footnote 15\]](#).

Low UK total public investment is driven by our low level of local government investment. Although UK central government investment matches the OECD average, at 2.2% GDP, UK local government investment, at 0.8% GDP against an OECD average of 1.4%, ranks 30th out of 38 OECD countries - the lowest in the G7.

If our subnational investment matched the OECD average rate, we would invest an extra £19bn per year – a further 0.6% of GDP. This

would put the UK in the top 50% of OECD countries for total public investment.[\[footnote 16\]](#)

Trust in politics is falling

We face a long-term decline of trust in our politics. Too many people feel like they do not have control over the things that matter most to them, from housing to healthcare. Nearly eight in ten people in England say public services have been getting worse, and many have little faith in our system of government to turn that around[\[footnote 17\]](#).

The public are right to demand change: a growing economy, public services that are there when people need them, and a politics that is done with communities, not to them. That is why the Prime Minister has pledged that this government will be one of service, committed to putting the right powers at the right levels.

For decades, central government has called the shots - and the public's trust in politics has fallen[\[footnote 18\]](#). There is a different way: empowered local leaders, who know their area better than any Westminster politician, whose sole job is to deliver for their residents. By taking back control, people can begin to regain their faith in politics as a force for good.

Public services need integration and reform

Public services are on their knees, with outcomes at historic lows[\[footnote 19\]](#). In 2024, polling found that over 69% of people in England believed public services had got worse, and there was significantly net negative satisfaction on areas like council housing, support for children and young people, and employment and skills support for adults[\[footnote 20\]](#).

People are right to demand better public services. The government is taking difficult decisions to raise revenue to deliver the increased investment that public services need. However, better services also require new ways of working. Building services solely around the institutions and agencies of central government does not work. Too much money has been spent on badly targeted programmes delivering poor outcomes. We urgently need to reform public services to focus on prevention, with programmes built more closely around people and the places they live.

1.2 How devolution can help us deliver

Further devolution in England is critical to solving these challenges

Evidence shows that, under the right conditions, devolution can help solve these challenges.

- On growth, devolution to capable local leaders at strategic scales has been linked to higher productivity^[footnote 21], meaning more money in people's pockets.
- When it comes to trust in politics, directly elected Mayors are the most recognisable local political figures, and people think more power should come down from national government^[footnote 22].
- In other developed countries that introduced greater devolution, people were more satisfied with public services^[footnote 23].

Devolution to Scotland, Wales and Northern Ireland from 1998 laid the foundation for a new approach to governing, with new legislatures and governments making a reality of the principle of democratic self-government and recognising the political and cultural distinctions within the UK. The historic devolution that created the Greater London Authority in 1999 showed the potential of a Mayor across a city region, delivering on priorities and being directly accountable to the public. And the introduction of legislation for Combined Authorities in 2009 showed the path for English devolution outside of the capital, building on the strengths of local authorities.

Just as the turn of the century kicked off the rebalancing of power, it is now time for this government to make its contribution with the determination and focus required.

The case for change is clear:

- Devolution means policy can be tailored to local situations, based on a deep understanding of England's regional economies. Places should not have to constantly re-work competitive bids to deliver the government of the day's priority. While ministers and civil servants strive to serve, those making national decisions have competing incentives, limited capacity and less localised information. Devolution enables more decisions to be made by those who know their areas best, leading to better outcomes and a more efficient use of resources.
- Devolution enables coordinated action in a place. Policies across skills, innovation, and infrastructure are much more effective when used to complement each other^[footnote 24]. We have already seen the difference that can be made when local leaders and Mayors work together in the interests of the local population. It creates the right mix of local intelligence and capacity with strategic vision^[footnote 25].
- Devolution gives communities a greater say in decisions that affect them. When policy is made at a national level, even the best intentions can fall short and invite public objection if the communities who should benefit are left powerless in the decision-making process.

- Devolution done right drives innovation, enabling different leaders to trial different methods, and learn from what works to ultimately deliver more for citizens.

By pushing more power out of Whitehall, this government is undertaking major structural reform to deliver better democratic and economic outcomes for people and places across England. With more power devolved in England, people will see the following changes.

- Priorities for their area set locally, with policies tailored to needs and circumstances.
- Easier commutes through a single transport system, with pay-as-you-go fares and joined-up services to access more opportunities faster.
- Skills and employment provision that are more relevant to local jobs.
- More houses that are matched with new infrastructure.
- Support from public services that talk to each other and understand what support people need.
- Fewer but more empowered leaders who can be directly held to account. 83% of people in Greater Manchester recognise the Mayor^[footnote 26] – we want this kind of recognition and direct accountability across the country.
- Local government, as the foundation of devolution, itself given a firm foundation, restored to being fit, legal, and decent. Councillors will play an important role as the delivery arm of this project, with the respect and resources they need to get the job done.

1.3 Our priorities for devolution in England

This White Paper sets the roadmap for a new way of governing: a permanent shift of power away from the centre, with delivery by strong institutions across the right strategic footprint.

1.3.1 All of England should benefit from devolution

There has been progress in rolling out devolution in England, with the proportion of the population covered by devolution deals reaching 61% in 2024, just over 34 million people. However, the current “devolution by deal” approach has created an inconsistent patchwork of powers, coverage and accountability. Over 90% of the North of England is covered by devolution arrangement, yet in the South of England this is just 46%^[footnote 27]. And as a result of the deal-based approach, the powers Mayors hold to effect change vary between places. We will bring coherence and consistency – ending one-off deals in favour of a systematic approach.

We want to see all of England benefit from devolution. By completing the map, the government will oversee the rebalancing of power from central government so that local leaders can take back control and increase prosperity for local people^[footnote 28]. It is the government's strong preference that in filling the map, places do so with a Mayor over a strategic geography.

1.3.2 More directly elected Mayors to create visible leadership and greater accountability

Mayors have become vital local leaders, delivering on the promise of change in their area to drive growth, more joined-up delivery, and earning trust. The evidence sets out the reasons for this:

- Mayors can use their mandate for change to take the difficult decisions needed – such as funding and driving Greater Manchester's integrated transport system, or taking the Supertram back into public ownership in South Yorkshire.
- Mayors have the standing and 'soft power' to convene local partners and tackle shared problems, directly exercise devolved powers, and attract inward investment – whether bringing together local businesses to open up 20,000 work experience placements in the West Midlands, or the West Yorkshire Mayor's trade mission to North America to drum up jobs and investment for her region.
- Mayors have a platform for tackling the obstacles to growth that need a regional approach – from the Northern Mayors coming together to consider strategic transport planning at a regional level, to the future Mayors of Greater Lincolnshire and Hull & East Yorkshire coming together with the government to discuss decarbonisation across the Humber.
- Mayors are accountable to their citizens and have the profile to stand up for them on the national stage – able to both partner with and challenge central government where needed.

That is why the government will put Mayors front and centre. They will be a fundamental partner to the government in delivering its missions and allowing areas to take back control. We have established the Council of Nations and Regions and the Mayoral Council. These forums will provide unparalleled opportunities for Mayors, working hand in glove with other local leaders, to engage government at the highest levels on a systematic basis. Through the Councils, Mayors will be able to bring local insights to bear on shared national problems and ensure the interests of their local communities are represented in the development of government policy.

Mayors will collaborate across regions to get things done – with the 'Great North' group of Northern Mayors showing the way as they collaborate on shared priorities.

Areas that agree to take on a Mayor will see major benefits, including:

- 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.

1.3.3 Powers in the right places

We will shift the balance of power, but this must happen at the right level and to strong institutions able to deliver.

For hyper-local issues, communities should be empowered to make change happen – such as taking over ownership of treasured community assets, and working with civic society organisations to drive community improvements.

For delivering frontline services, local authority leaders need to be empowered, with more certainty and less marking of homework by the government, so they can drive town centre improvements and deliver on core aims like planning and core statutory services.

For strategic decisions to drive growth, we need strong institutions at the right scale. The evidence is clear that to drive improved economic outcomes, we must devolve core levers over growth – like transport, skills, employment support and strategic planning – and align these across functional economic areas in which people live and work. Places have distinct economic networks where people and companies interact, which can be much bigger than individual towns or councils. Aligning economic policies at this scale can help deliver productivity, because specialisms develop over the wider economic area separate to the individual towns or

councils within it – such as a sector specialism needing a new research institute, or regional transport network to connect to new homes.^[footnote 29] In other countries, places with combined authority-type city region bodies had higher productivity than those without^[footnote 30]. Without a comprehensive ‘strategic tier’ between national and local government, we will continue to lack the scale needed for very large regional investments and strategically coordinated growth levers^[footnote 31].

Many public services are also delivered across large areas. Devolution cannot maximise opportunities to bring levers together unless devolved governance covers wider public service footprints too, so services like health and skills can be brought together – meaning residents get more services for their taxes. Where that alignment can be introduced, this can bolster the capacity of the state to deliver.^[footnote 32]

2. How we will deliver devolution in England

2.1 Our new devolution architecture for Strategic Authorities

To deliver the government’s permanent shift of power from Westminster, with consistent powers at the right level across all of England, we need a new architecture.

The government will therefore legislate to introduce the following:

2.1.1 Strategic Authorities

We will create in law the concept of a Strategic Authority. All Strategic Authorities will belong to one of the following levels:

- **Foundation Strategic Authorities:** these include non-mayoral combined authorities and combined county authorities automatically, and any local authority designated as a Strategic Authority without a Mayor.
- **Mayoral Strategic Authorities:** the Greater London Authority, 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. In exceptional circumstances the Secretary of State will have the power to designate an individual local authority as a Foundation Strategic Authority only. Our ambition remains for all parts of England to ultimately have a Mayoral (and eventually Established Mayoral) Strategic Authority.

We will legislate to ensure that Strategic Authorities can change structure should local government reorganisation take place, for example, changing from a Combined County Authority to a Combined Authority when a two-tier area becomes single-tier.

2.1.2 Areas of competence of Strategic Authorities

Strategic Authorities will have a defined list of areas of competence, set out in law. These are 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. To enable effective working with the public, private and voluntary sectors, we will explore a wide-ranging legal power for Strategic Authorities to deliver in their areas of competence. We will also explore enabling Mayors to promote economic, social, and environmental aims and convene stakeholders with a corresponding duty on public authorities to respond. It would go hand in hand with a duty to collaborate with constituent local authorities and neighbouring Strategic Authorities in delivering these areas of competence. These changes will put Mayors truly in charge of their place and give them a mandate to get things done.

Proposed list of areas of competence

We would like to engage with views from Mayors and the whole of the local government sector on the areas of competence. The following list should be considered as areas where Strategic Authorities should have a mandate to act strategically to drive growth as well as support the shaping of public services, where strategic level coordination adds value. We are interested in where this list could be expanded now or in the future:

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

2.1.3 Statutory Devolution Framework

The public need a clear understanding of who is responsible for what in their area so that they can hold local leaders accountable.

We will therefore put into legislation the statutory functions and governance arrangements for each level of Strategic Authority. Members of that level will receive the corresponding functions automatically.

We also want to introduce a more consistent, transparent and effective set of voting arrangements. When residents elect a Mayor, they need to know that key decisions cannot be blocked by a single council, and that decisions will be taken that drive long-term economic growth. Mayors will always be expected to work in partnership with local authorities and key stakeholders; but a desire for perfect consensus must not get in the way of tough decisions. To enable this, when the framework becomes law, it will override any existing governance arrangements.

In Mayoral Strategic Authorities, a majority vote which includes the Mayor will be required to approve decisions on the use of most functions. Specific functions set out in the Devolution Framework will be exercisable only by the Mayor. In Foundation Strategic Authorities, most decisions will require a majority but key strategic decisions will require unanimity. The governance arrangements for the setting of Combined Authority and Combined County Authority budgets and transport levies will also be standardised. These changes will not apply to the Greater London Authority or any single Local Authority designated as a Foundation Strategic Authority, given their different legal constitution. We recognise that some parts of the country have unique technical circumstances which require small changes to this consistent approach, such as to reflect arrangements relating to the management of trams. We will work with these places on this, but any changes to this approach will be by exception.

The English Devolution Bill will deliver a more consistent approach to devolution but will still allow for local circumstances to be recognised. The process for the making of Statutory Instruments for individual Combined Authorities, Combined County Authorities and Local Authorities will remain, but will account for the new statutory Devolution Framework.

2.1.4 Adding to the Devolution Framework

The Devolution Framework is a floor to our ambition, not a ceiling. We want to continue to deepen devolution across England in the future, as new Strategic Authorities grow in capacity and coverage. So, we will regularly review the Devolution Framework in collaboration with Strategic Authorities. As a first step, we will work with areas that have mayoral devolution agreements and priority areas for new mayoral devolution in the coming months to include them in conversations to evaluate the new framework with relevant departments.

Established Mayoral Strategic Authorities will be able to propose, individually or with others, additional functions to be added to the statutory Devolution Framework, or piloted locally, in order to deliver their areas of competence. The mechanism of requesting further powers is intended to drive innovation and testing to ensure we continue to trailblaze. This will be an annual process ahead of fiscal events. Proposals will be discussed at the Mayoral Council and then Established Mayoral Strategic Authorities will be invited to submit a written proposal formally, to which the government will have a duty to respond. Successful pilots will be considered for addition to the framework.

The government will therefore take the power to add to, but not remove from, the statutory Devolution Framework by statutory instrument, subject to consultation with Mayoral Strategic Authorities.

2.2 Widening and deepening devolution in England

We want to see all of England benefit from devolution, with full devolution coverage across the country, at least to the level of Foundation Strategic Authorities, with an ambition to move to a mayoral model. By completing the map and working towards all areas having a Mayor, the government will rebalance power.

The government will consider future devolution agreements against the criteria set out below on geography and governance arrangements. Ahead of the English Devolution Bill, we will bring forward areas ready to move quickly through a new Devolution Priority Programme.

2.2.1 Geography

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 we accept that 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. 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 (either now or with a clear plan to ensure contiguity in

the future through agreed local government reorganisation).

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

2.2.2 Governance structures

Mayoral devolution

Given Mayors are the government’s strong preference, the deepest powers will only be available at the Mayoral level and higher. Mayors should have a unique role in an institution which allows them to focus fully on their devolved responsibilities, while council leaders must continue to focus on leading their place and delivering vital services. Conflating these two responsibilities into the same individual and institution, as is the case if an individual local authority had a mayoral model of devolution, would risk the optimal delivery of both. We will therefore discontinue the individual Local Authority devolution model in its mayoral form.

To provide consistency across the country, we will remove the ability of Strategic Authorities to call Mayors by another name, in common with local government councillors and UK MPs, regardless of the ward or constituency they represent.

Non-Mayoral devolution (Foundation level)

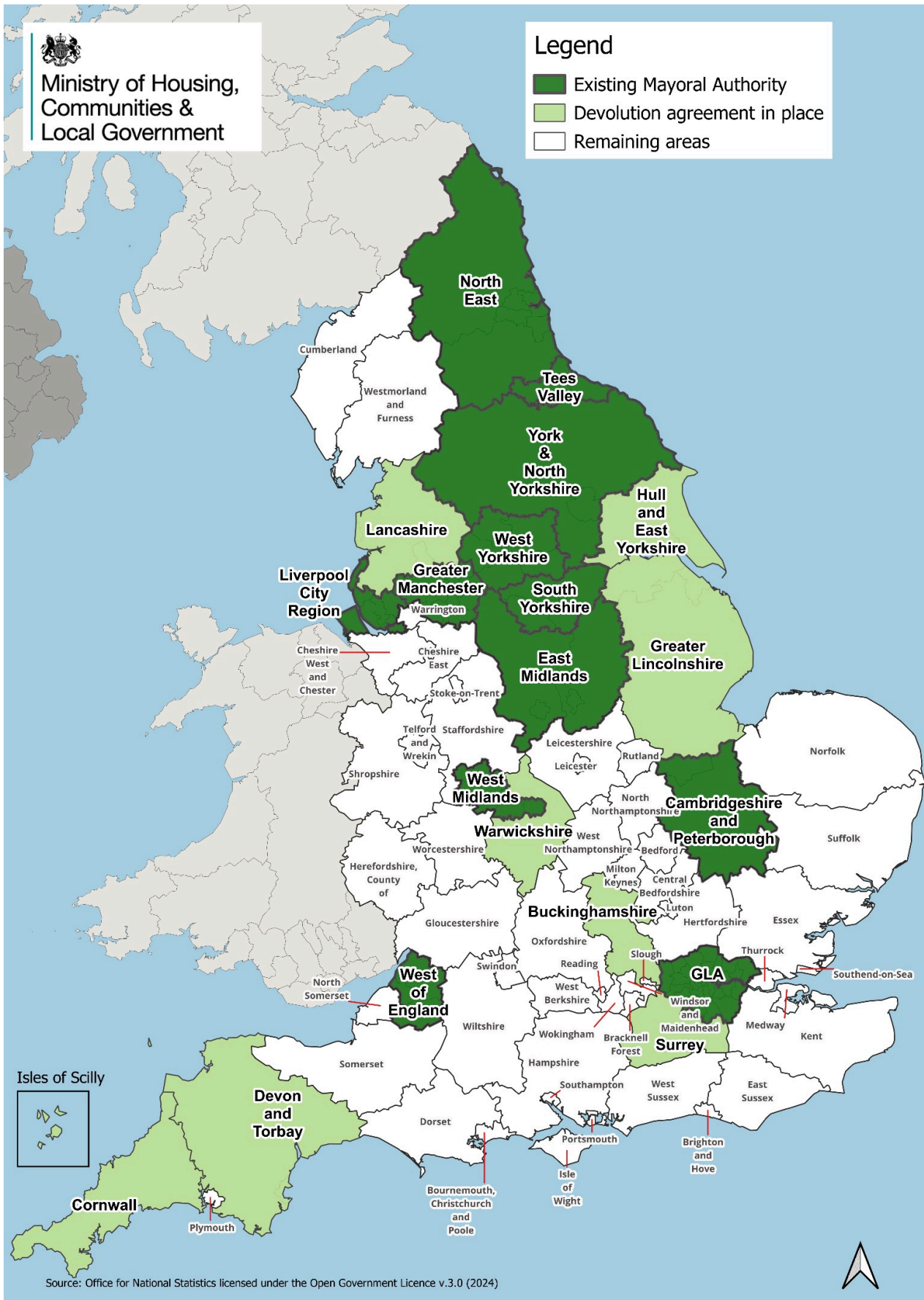
The government will also consider proposals for local authorities to work in partnership through the establishment of a Combined Authority or Combined County Authority, as a platform to consider mayoral devolution in the future. By exception, the government will consider non-mayoral devolution arrangements 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.

The role of district councils

In areas with two tiers of local government, before moving to a single tier, the government will establish Combined County Authorities but not Combined Authorities. In those cases, while districts will not be constituent members, 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.

Figure 1: Map of current English devolution landscape, December 2024



Devolution in action: North East Child Poverty Reduction Unit

In the North East the Mayor is driving forward proactive and practical solutions to support prevention of child poverty. This year, the Mayor launched the Child Poverty Reduction Unit. The aim of the Unit is to build a strategic, long-term and collaborative approach to reducing child poverty, building on the initiatives already underway. One of the first outputs will be a Mayor's Childcare Grant, which will help parents find or return to work and keep more of their earnings.

This year, the Combined Authority is delivering a programme of work across all seven constituent authorities. More than 220 schools will be supported to mitigate the symptoms and causes of child poverty. Advisors have supported families and households by bringing welfare rights advice and support into schools. Since September 2024, 125 families have been supported, building on a pilot over the last two years, which saw 760 families supported. The combined authority has also funded 1,450 Baby Boxes for vulnerable first-time parents, building on a successful pilot supporting 750 families last year. The Combined Authority is also working in partnership to support work with 85 employers this year to introduce bespoke, impactful poverty reduction strategies that respond to the voice of staff, including changes to flexible working contracts, updating terms and conditions, and subsidised essential items.

2.2.3 Approach to filling the map

The government will work collaboratively with local government to deliver on the ambition of universal coverage of Strategic Authorities in England.

However, in order to ensure a complete national layer of Strategic Authorities is in place to devolve further powers to in future, we will legislate for a ministerial directive, which will enable the government to create Strategic Authorities in any remaining places where local leaders in that region have not been able to agree how to access devolved powers. Our commitment to working in partnership holds firm, and so the government will limit its use of this power to instances when other routes have been exhausted. We will ensure that the ministerial directive is used to conclude the process where there is majority support, or the formation is essential in completing the roll out of Strategic Authorities in England.

2.2.4 Deepening devolution in Established Mayoral Strategic Authorities

Mayoral Strategic Authorities with a strong track record of delivery, which can demonstrate exemplary stewardship of public finances, can request access to a deeper level of devolution, including the Integrated Settlement.

Eligibility for Established Mayoral status

As part of ending devolution by deal in favour of devolution by default, the government is setting clear criteria for accessing the Established Mayoral tier. Specifically:

- The Mayoral Strategic Authority (or predecessor Mayoral Strategic Authorities) have been in existence, with a directly elected Mayor in place, for at least 18 months at the point of submitting a request to move up to the Established Mayoral tier and access the Integrated Settlement;
- The Strategic Authority has a published Local Assurance Framework in place;
- In the previous 18 months the Strategic Authority has not been the subject of a Best Value Notice, a MHCLG commissioned independent review, or a statutory inspection or intervention;
- The Strategic Authority is not subject to any ongoing (or implementing) recommendations from an externally mandated independent review; and
- There are no material accounting concerns covering the current or previous financial year which relate to the Strategic Authority's ability to manage public money.

Strategic Authorities which meet the criteria will be eligible to apply for the Established Mayoral level of devolution. The Combined Authorities representing Greater Manchester, Liverpool City Region, the North East, South Yorkshire, West Midlands, and West Yorkshire have met these criteria and will receive Integrated Settlements. The government will also explore how an Integrated Settlement could be applied to London from 2026-27, taking into account its unique circumstances. All of these authorities will also take on the additional powers and devolved funding set out in the Devolution Framework.

Qualifying for 'Established Mayoral' status

Mayors of Strategic Authorities which meet these criteria will be able to write to the Ministry of Housing, Communities and Local Government to apply to be an Established Mayoral institution. The government will then further consider the devolved authority's track record of managing major programmes. The Secretary of State will have the power to legally designate Mayoral Strategic Authorities as Established Mayoral Strategic Authorities and will always do so when they qualify as set out above. This process will require the consent of the Strategic Authority's constituent local authorities.

Once designated as Established Mayoral, Strategic Authorities will automatically be conferred with the relevant powers and functions available at that level of the framework by right. In line with the framework, Established Mayoral Strategic Authorities will be eligible to receive an Integrated Settlement, which will commence at the following Spending

Review provided a sufficient preparation period has passed. Wider funding commitments would also commence at this point in the majority of cases. As official designation will not be possible until the English Devolution Bill becomes law, the Mayoral Strategic Authorities mentioned above will receive elements of the framework ahead of designation where practicable.

2.2.5 London: Strengthening the capital's devolution settlement

Nearly 25 years on from the establishment of the Greater London Authority, the government will examine the Greater London Authority Act 1999 (as amended) to remove any unnecessary or dated provisions and ensure the Act is fit to support the capital's continued growth and prosperity. As part of this work, the government will also explore whether changes are needed to the system governing the disposal of Transport for London operational land and the way in which transport funding is agreed for London.

As we update the Devolution Framework, we will work with the Greater London Authority to ensure the capital city benefits from new powers and funding being made available to other Strategic Authorities, while retaining pre-existing bespoke London arrangements. This work will include exploring how an Integrated Settlement could be applied to the Greater London Authority from 2026/27. The Greater London Authority will draw on existing ways of working with London Councils to facilitate collaboration where this can support shared objectives.

As a leading global city, it is right that London also looks towards its international competitors to learn from innovative policy approaches. London led the world with the introduction of integrated ticketing and other city-wide policies. The government remains committed to maintaining London's international competitiveness and attractiveness as a place to work, study, visit and invest. To support this, the government will work with the Mayor of London to compare the powers and policy approaches of other global city authorities. This will be led by a new working group sponsored jointly by Ministry of Housing, Communities and Local Government and the Greater London Authority.

Devolution in action: Integrated transport system across London – Transport for London

Transport for London (TfL) runs an integrated transport system and is responsible for the day-to-day operation of the capital's public transport network and managing London's main roads. It is a statutory body created by the Greater London Authority Act 1999, which gave the Mayor of London a general duty to develop and apply policies to promote and encourage safe, integrated, efficient and economic transport facilities and services to, from and within London.

TfL has transformed customer service through a broad programme including simplified fares, Oyster and contactless ticketing, staff development, investing in new trains and upgrading stations. The devolution of responsibilities for the tube and light rail in London, along with a small number of heavy rail routes and services has been a particular success, having led to greater investment, higher levels of passenger satisfaction, and more frequent and reliable services. [\[footnote 33\]](#) TfL has delivered extensions to the network – on the Docklands Light Railway, Overground, Tube and Elizabeth Line – to enable London’s sustainable development, and has helped embed heavy rail services within wider public transport networks and within broader plans for housing, economic development and decarbonisation in London. [\[footnote 34\]](#)

2.3 Hardwiring English devolution into government

Delivering a permanent shift in power from Whitehall so local leaders can drive change needs central government to do things differently. And we need to lock in that way of working for the long term, so that it is future-proofed and cannot be ignored when it is not convenient.

Devolution in action: How the government is working with Mayors to drive growth

The government is already working closely with Mayors to drive growth across the country, through partnership working, funding and support to utilise their growth levers, such as Mayoral Development Corporation powers. The government will work with Mayors to identify new opportunities for collaboration, where central government can work in partnership with Strategic Authorities to unlock new projects and sites.

Through Investment Zones, the government is working with Mayors, alongside business and local partners, to create the conditions for investment and innovation. For example:

- In Liverpool, the government is backing the Mayor’s plans to become a global leader in the life sciences sector by providing funding to develop new world-class facilities and capabilities in the region that will drive breakthrough research in infection, therapeutics, mental health, advanced manufacturing, and the use of data and AI to lead healthier lives. Initial investments include new category 2 lab and office space at Sci-Tech Daresbury, and enhancing the AI and robotics capabilities at iiCON. Local partners expect the investment to

attract up to £640 million of private investment and create over 8,000 new jobs.

- In West Yorkshire, the government is investing in the Mayor's ambition to grow HealthTech in the region, building on existing strengths in the life sciences, and in digital and technology sectors. Funding will deliver over £50 million of infrastructure investment to accelerate delivery of key initiatives including the development of digital technology innovation assets in the Bradford Knowledge Quarter, specialist clinical teaching and research facilities through the £250 million National Health Innovation master plan in Huddersfield, and refurbishment of the Old Medical School in Leeds to unlock 4,000 square metres of innovation space and create a life sciences and digital health science park.
- The government is also supporting the newly formed East Midlands Combined County Authority's vision to transform the regional economy by driving growth in the advanced manufacturing and clean energy sectors, where the Investment Zone is expected to create 4,300 jobs and leverage £380 million of private investment. The government is also supporting the newly formed East Midlands Combined County Authority's vision to transform the regional economy by driving growth in the advanced manufacturing and clean energy sectors, where the Investment Zone is expected to create 4,300 jobs and leverage £380 million of private investment. Funding will address the lack of R&D and innovation space in the region and unlock much needed development sites, including at Hartington Staveley where there are opportunities to build on the nascent advanced rail cluster, as well as grow world-leading green and nuclear clusters at Derby's Infinity Park and develop on the existing advanced manufacturing expertise at Explore park near Worksop.

The government is also supporting Mayors to take forward local growth priorities and deliver game-changing investments. For example:

- In October 2024, the government confirmed £25 million funding for local growth priorities, which the North East Combined Authority plans to use to accelerate progress on the Crown Works Studios in Sunderland. In October 2024, the government confirmed £25 million funding for local growth priorities, which the North East Combined Authority plans to use to accelerate progress on the Crown Works Studios in Sunderland. The £450 million development will be one of the largest studios in Europe with the potential to create over 8,000 jobs and generate £2 billion in GVA. Alongside specialist skills for the UK film industry, those who will benefit from the development being on their doorstep include carpenters, engineers, designers, drivers, electricians, hair and make-up artists, and medics amongst others.
- In London, the government is backing the Mayor's ambition to revitalise Oxford Street, unlocking the area's full potential and delivering a much-improved experience for shoppers, residents,

workers and tourists. This includes supporting the Mayor's proposal to establish a new Mayoral Development Corporation to bring forward the regeneration of Oxford Street, working with local leaders to ensure it remains a world-class destination.

2.3.1 Local Growth Plans

Mayors are key partners in delivering the growth mission. Through the English Devolution Bill, we will create a statutory requirement for all Mayoral Strategic Authorities to produce a Local Growth Plan, setting out a long-term vision for growth in their region over the next decade and a roadmap for how this can be achieved. They will galvanise and guide work across partners to help Mayors to deliver growth, including:

- **In Established Mayoral Strategic Authorities and among local partners:** Local Growth Plans will play a key role in implementing and rolling out Integrated Settlements, being reflected in the outcomes framework.
- **In central government and Arm's Length Bodies:** To ensure Local Growth Plans hold weight, guide central government policy, and corral meaningful action, we will work with Mayoral Strategic Authorities to agree a limited number of shared strategic priorities, to act as a focal point for collaboration. This will ensure a shared understanding of economic opportunities, help align policy levers around them, and guard against the proliferation of strategies and policy churn in central government that has hampered local growth efforts in the past.
- **In the private sector and among investors:** Local Growth Plans will galvanise action and investment, including through setting out a pipeline of investment opportunities. Unlocking these opportunities will require the right mix of public and private investment, and the government is currently consulting on a duty for Local Government Pension Scheme administering authorities to work with Strategic Authorities and other stakeholders to identify suitable investment opportunities, and to have regard for Local Growth Plans and local economic priorities when setting their high-level investment strategies. Local Government Pension Scheme administering authorities would be expected to put forward local investment opportunities they had identified to their asset pools, who in turn would be required to have the capability to conduct due diligence on those proposals before taking final investment decisions. The English Devolution Bill will also introduce a reciprocal requirement on Strategic Authorities to work with Local Government Pension Scheme Administering Authorities and their asset pools to develop investment opportunities that are appropriate for pensions investment.

Foundation Strategic Authorities also have an important role to play in driving local growth. These authorities will set out a vision for growth in their area, building on existing local economic strategies where these exist. As

they become Mayoral Strategic Authorities, taking on additional powers, functions and funding, they will be required to update these to produce full Local Growth Plans.

Devolution in action: East Midlands Inclusive Growth Strategy

Following the establishment of the East Midlands Combined County Authority (EMCCA) in early 2024, its first Mayor pledged that “We will make our region more prosperous, sustainable and fairer, helping our people and businesses to create and seize opportunities.” To achieve this, work immediately began to create a long-term inclusive growth strategy which would deliver for the whole region, covering some 2,000 square miles and 2.2 million people.

The strategy aims to take a wide-ranging, long-term and systemic approach to driving growth and ensuring benefits for all residents, from the region’s rural areas to its towns and cities.

To do this, EMCCA has established an arms-length and independently chaired Inclusive Growth Commission, chaired by Andy Haldane, the Chief Executive of the RSA. Commissioners from the East Midlands and beyond will draw on their extensive knowledge from different sector backgrounds to generate creative, long-term ideas for growth rooted in cutting edge evidence, community insights and conversations with local leaders. The proposals from the Commission will be underpinned by EMCCA’s emerging Local Growth Plan and a fresh, integrated consideration of spatial growth opportunities.

The strategy will be supported by a transformational programme of systems leadership and reform, working closely with stakeholders to deliver the goal of devolution in bringing prosperity to the region and overhauling years of systemic underfunding. The long-term strategic approach will build on the early success of the authority and its partners in securing £160m to support the East Midlands Investment Zone.

2.3.2 Engagement forums

Local leaders with skin in the game need a bigger voice in national policy making. To deliver this, the government has already established:

- The **Council of the Nations and Regions**, chaired by the Prime Minister, brings together First Ministers of the Devolved Governments, the deputy First Minister of Northern Ireland, and the Mayors of Strategic Authorities to collaborate across the national missions.
- The **Mayoral Council**, chaired by the Deputy Prime Minister, brings together England’s Mayors. The Council will be the key forum for engagement between central government and Mayors on Local Growth

Plans, pushing the frontier on devolution, feeding back on how best to deliver on the ground, and identifying opportunities to better coordinate national and local policy.

- The **Leaders Council**, bringing together a representative group of local authority leaders with the Deputy Prime Minister and other ministers so that local leaders have a seat at the table in government and policy solutions can be co-designed with local government.

2.3.3 Policymaking with devolution by default

Local leaders' desire to drive change and growth has too often been stymied. Central government must become more responsive to their local knowledge. We will:

- Pursue an ambition to **realign public authority boundaries**, so that over time, public services are delivered over the same areas as Strategic Authority boundaries. Our 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. In the meantime, we will look for practical solutions to allow Mayors to deliver where service boundaries are non-coterminous, considering the benefits on a case-by-case basis.
- Ensure that 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. This recognises the importance of providing Strategic Authorities with clear medium-term certainty about their roles, and of creating the stability necessary to support growth. There will be a presumption that funding flows through Integrated Settlements for Enhanced Mayoral Strategic Authorities.
- Ensure key **Non-Departmental Public Bodies and Arm's Length Bodies**, such as Homes England, Network Rail and National Highways, have appropriate regard to relevant Strategic Authority strategies and the shared growth priorities from the Local Growth Plan for the area in their work.
- Establish the **National Wealth Fund** with a strong regional objective to unleash the full potential of our cities and regions. It will work in close partnership with Mayors to support investable propositions in their Local Growth Plans, as well as with Devolved Governments, and with other local leaders to support their investment plans, being led by local needs. The National Wealth Fund will have increased resources in both its Local Authority and Banking and Investments teams. It will conduct more outreach to identify expanded project pipelines and structure innovative transactions with project sponsors, industry, Local Authorities and government departments. It will work collaboratively, focusing on additionality and never crowding out private investment.

2.3.4 Better data and better use of data

Greater devolved powers need to go hand in hand with the necessary evidence and data – both to design and deliver efficient, effective, and equitable local services, and to help the public hold their leaders to account for delivering change. Access to, and sharing of, data can be resource intensive, slow and difficult to navigate. Where data or statistics do exist, they can be hard to find, often out of date, be at the wrong geographical level, or require advanced technical and analytical capabilities that are not easily available. While having better access to data is important, it is equally necessary to ensure those being provided with the data have the capability and capacity to analyse it. We want to work with local government and data experts to develop a comprehensive vision for local data to coordinate the range of initiatives under one coherent long-term plan.

Making local data a priority from the outset:

- We will establish a new Mayoral Data Council to integrate senior data leaders from Mayoral Strategic Authorities into central decision-making on data issues that affect them. It will champion better data and better use of data, as well as improved data sharing. The Data Council will input into the Mayoral Council and the central government digital and data function. The Council will also look to collaborate with Devolved Governments where appropriate.
- Together with relevant government departments, the Mayoral Data Council will refine and implement the data partnership principles, which were co-developed with Greater Manchester and West Midlands Combined Authorities through the trailblazer deals. These set out how central government and Strategic Authorities will work together for the legal, safe and secure sharing of data, to make accessing data easier and more streamlined. The principles will support and streamline negotiations with individual government departments over access to priority datasets.

Fixing the basics:

- To improve access to data, we will support Office for National Statistics to lead a refresh of the government's subnational data strategy, in which they seek to drive the delivery of better local statistics in collaboration with the Devolved Governments and draw on findings from the recent Lievesley review^[footnote 35],^[footnote 36]. We will also continue to engage with Office for National Statistics in meeting the ambitions of that strategy through their local data and insight programme.
- To boost the data and analytical capacity of Strategic Authorities we will provide continued support for ONS Local to gather user needs and understand data gaps, provide data access, analytical support, and capability to local data leaders.
- Data discovery and access needs to be made easier. Strategic Authorities will be consulted on the development and operation of cross-government

services that enable easier data discovery and access, as stakeholders alongside central government departments. Examples of current data discovery and access initiatives include the Data Marketplace, National Data Library and the Integrated Data Service.

- More information sharing is needed to improve the services that Strategic Authorities offer local businesses, but there are not always legal gateways for this. We will legislate to broaden the scope of the Digital Economy Act 2017 public service delivery powers via a provision in the Data (Use and Access) Bill – to allow for information sharing to improve public service delivery to businesses. We will also work with Strategic Authorities to consider establishing data sharing initiatives under the Digital Economy Act. We will assess our existing data governance practices (including information sharing agreements) and aim to streamline these processes in compliance with the relevant Codes of Practice and data protection legislation.
- We are committed to improving the efficiency of data collection while improving data consistency and completeness through the adoption of data standards.
- Any and all potential options to increase access to data will, where applicable, respect the provisions in the Data Protection Act 2018, UK General Data Protection Regulation in order to achieve compliance in design, the common law duty of confidentiality and the requirement for local authority consent to any future data sharing arrangements.

2.3.5 Evaluation

To deliver devolution successfully, it is vital that we build evidence of how best to implement our policies over time. Evaluation of policy gives both central and local government insights into what works and how to maximise benefits. Working across government we will explore:

- A public devolution evaluation on the outcomes of devolution to date, including the Integrated Settlements, working with areas to understand the right balance of responsibilities between central and local government.
- A feasibility study for how we can assess the impact of different devolution commitments, including the Integrated Settlement.
- Delivering ongoing process and impact evaluation to capture evidence on devolution as it becomes available, looking at delivery and implementation, future trends, and impact in place.

3. Powers, functions and funding – the Devolution Framework

3.1 The devolution offer

Local leaders have been held back from delivering the change their residents need – growth, public services that are there when people need them, and politics done with communities, not to them. The government is setting out an enhanced Devolution Framework – available by default rather than by deal. This enhanced Devolution Framework will deliver:

- **Mayors free to set the priorities for funding that suit their areas the best** through Integrated Settlements for Established Mayoral Strategic Authorities, meaning that for the first time Mayors are not bound by strict Westminster rules over how to spend money locally.
- **Strategic Authorities' leadership of their area's growth hardwired** through Local Growth Plans, the Council of Nations and Regions, and the Mayoral Council.
- **Easier commutes** because Strategic Authorities are better able to join up transport networks through: faster bus franchising; joined-up transport funding; a statutory role for Mayors in governing, managing, planning, and developing the rail network; option for Mayors to control local rail stations; and the right to request rail devolution for Established Mayoral Strategic Authorities.
- **Skills and employment provision that is more relevant to local jobs** because Strategic Authorities will have joint ownership of the Local Skills Improvement Plan model (alongside Employers Representative Bodies), have devolved control of non-apprenticeship adult skills funding, ensuring there are clear pathways of progression from education into further education or higher education and employment for 16-19 year olds in their areas, devolution of supported employment funding for the first time in England, and a commitment for Mayoral Strategic Authorities to co-design the future landscape of non-Jobcentre Plus employment support more widely.
- **More houses, served by the necessary infrastructure, and more social housing** with Mayors becoming responsible for strategically planning for housing growth, backed by devolved funding, a Homes England that is more responsive to the Mayors, and for Mayors of Established Strategic Authorities, the ability to set the strategic direction of any future affordable homes programme.
- **More investment in local areas** through fuller devolution of business support, a clearer role for Strategic Authorities in innovation, and focused on domestic growth, exports and investment, and collaborative partnerships with the Department for Culture, Media and Sport's Arm's Length Bodies.
- **Strategic Authorities at the heart of making Britain a Clean Energy Superpower**, with a strategic role in the delivery of the Local Power and Warm Homes Plans, devolution of retrofit funding by 2028 to Established Mayoral Strategic Authorities, and clear roles in the wider energy system (e.g. on Heat Zoning).

- **Action to deliver greater public service boundary alignment** in the long term, making more Mayors responsible for fire, police, and engaged in Integrated Care Partnerships, and supporting the mayoral convening role in public services, so Mayors and Strategic Authorities can support partners in driving public service reform. This includes clearer expectations for Mayors' roles in local health systems and in improving population health.

This is a significant devolution of power. But it represents the floor, not the ceiling, of the government's ambition, and will be kept under review. The framework sets out what that will be devolved at each tier. Specific funds are subject to the Spending Review

3.2 Funding and Investment

Integrated Settlements for Established Mayoral Strategic Authorities

Integrated Settlements are central to delivering change. 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.

More information is available at: [Integrated settlements for Mayoral Combined Authorities \(https://www.gov.uk/government/collections/integrated-settlements-for-mayoral-combined-authorities\)](https://www.gov.uk/government/collections/integrated-settlements-for-mayoral-combined-authorities)^[footnote 37]

Funding consolidation for Mayoral and Foundation Strategic Authorities

Outside of the Integrated Settlements, 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. And, as the Chancellor announced at Autumn Budget 2024, we 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.

Funding for new and existing institutions

Mayoral Strategic Authorities also need funding certainty to be able to plan for the long-term and get maximum impact from their spending. 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. In due course, we will also remove gateway reviews for Established Mayoral Strategic Authorities which have passed Gateway One or equivalent.

Mayoral Combined and Combined County Authorities can currently use a Mayoral Council Tax Precept. However, they cannot use this on their full range of functions, often including vital growth levers like bus services and adult skills. We will legislate to correct this, raising the value for money of this existing power.

3.3 Transport and local infrastructure

High quality transport infrastructure supports growth and opportunity. Bringing decisions about transport closer to people is key to improving the transport networks we rely on every day. We will therefore empower Strategic Authorities to take greater oversight of their local transport networks.

Transport funding

For Established Mayoral Strategic Authorities, the Integrated Settlement will include local transport funding streams, including City Region Sustainable Transport Settlement funding for eligible authorities from the start of City Region Sustainable Transport Settlements 2 in 2027/28. Foundation and Mayoral Strategic Authorities will also have funding consolidation, with greater consolidation, autonomy, and flexibility for places with a Mayor. Places will be held accountable through a transport-specific accountability framework with a proportionate outcomes framework and metrics.

The government is committed to ensuring long-term financial sustainability for Transport for London and will work with them to develop a plan for

achieving this from 2026/27 onwards as part of the Spending Review in the Spring.

Roads

Strategic Authorities will play a key coordination role in their local road network, working with National Highways on the strategic road network and their constituent authorities on local roads. Strategic Authorities will have a range of functions and powers as follows:

- Mayoral Strategic Authorities will set up and coordinate a Key Route Network on behalf of the Mayor, allowing the most important local roads to be strategically managed. Mayors will hold a Power of Direction over this network to support delivery of their agreed Local Transport Plan. We will review the effectiveness of the Power of Direction two years after implementation.
- Responsibility for local roads will remain with constituent authorities, unless otherwise agreed locally. The government will encourage Strategic Authorities to work to streamline arrangements across their area, for example, through a single set of highway design standards.
- Some Strategic Authorities have taken on some highways functions concurrently with their constituent authorities and we will continue to explore if standardised powers would add value.
- Local Transport Authorities will be empowered to regulate on-street micromobility schemes (like hire bikes), so local areas can shape these schemes around their needs, connect people to public transport, and tackle the scourge of badly parked cycles and e-cycles.
- Subject to consultation, it is proposed that the government will devolve approval of local Lane Rental schemes to Mayoral Strategic Authorities. Lane Rental schemes enable Local Highway Authorities to charge for works on busy roads at busy times with the aim of minimising disruption. Outside of Mayoral Strategic Authority areas, it is proposed that approval will remain with the Secretary of State.
- To help speed up development, the government also plans to devolve approvals for stopping up orders nationally, in line with London. These powers allow Local Highway Authorities to permanently close roads, subject to planning consent. Other minor road consents will be devolved to Mayors and Local Highway Authorities and changes to tolls on certain tolled undertakings will be devolved to Mayors.

To support Strategic Authorities' role in overseeing the road network, National Highways is committed to formalising and strengthening its relationship with Mayoral Strategic Authorities, ensuring a more cohesive approach to the management and development of England's strategic road network alongside local roads. One example is action to address pavement parking at a national level: we will publish a formal response to the 2020 pavement parking consultation. We will expect Strategic Authorities to play

a leading role in developing a consistent approach to enforcement across their area, using available powers as appropriate.

Rail

Great British Railways will put passengers and local communities back at the heart of the railways and protect their interests – integrating the railways with other forms of transport to support seamless journeys for passengers. This will be underpinned by:

- Engagement with Strategic Authorities on how local rail ambitions can be reflected in the national rail planning processes, including through mayoral partnerships, building on the progress already made with Greater Manchester and the West Midlands.
- A statutory role for Mayors in governing, managing, planning, and developing the rail network, to further embed collaboration and bring decision-making as close as possible to local communities. We will consult on this role ahead of the legislation required to establish the functions of Great British Railways. Subject to royal assent, we will publish guidance outlining the core components that each tier of Strategic Authority can expect, reflecting the need for this to be flexible, place-based, and bespoke.
- Greater reciprocal data-sharing, including through the Rail Data Marketplace, aligning this with the DfT ‘open by default’ position and the MHCLG-led data partnership principles.

If they meet transparent criteria, Mayors will also be given the option for greater control over appropriate local stations so they can capitalise on the opportunities for economic growth, accessibility and intermodal connectivity in and around stations. The government will also work with Strategic Authorities to explore how the considerable land value potential in rail-owned land could drive regeneration, commercial and housing opportunities.

Recognising the successes of the devolved rail models in London and the Liverpool City Region, Established Mayoral Strategic Authorities will have a right to request further rail devolution, up to full devolution of defined local services. We will publish guidance to establish a clear and transparent process for this.

London shows how fully integrated, multi-modal ticketing helps to get people onto public transport. To expand these types of system across the country, Great British Railways will reform the rail ticketing system to make it simpler for passengers and drive innovation. This is particularly crucial where bus franchising is coming or is in place, and rail is often the missing piece. The government will work in close collaboration with Mayoral Strategic Authorities to deliver these shared ambitions, building on existing pay-as-you-go rail pilots. Priority will be given to Established Mayoral

Strategic Authorities in city regions with existing ticketing schemes across other transport modes.

Buses and active travel

The Buses Bill will empower all Local Transport Authorities to decide whether to pursue bus franchising, a strengthened Enhanced Partnership, or publicly owned bus companies. The Department for Transport will publish updated franchising guidance and build its capacity to provide tangible support to Local Transport Authorities.

Strategic Authorities will play an important role in decarbonising transport and reducing its environmental and health impacts. The government expects Strategic Authorities to develop plans to decarbonise and reduce air pollution from their local bus fleet, including how and when emissions reductions will be delivered.

Active travel delivers a range of benefits for people and communities. Active Travel England will support Strategic Authorities to increase capability and address skill gaps to ensure a consistent approach to safety and accessibility for all users, with a right to request capability assessments for their constituent authorities.

Measures Applicable to all Local Transport Authorities

Devolution to all Local Transport Authorities

Local authorities should be trusted to make decisions about their local area. To help all Local authorities take back control and deliver transport more effectively, subject to normal legislative processes and consultation outcomes, the government intends to:

- Remove outdated requirements for Secretary of State consent to applications for Special Event Orders, dropped kerbs, conversions of footpaths to cycle tracks, and the construction of cattle grids, as well as exploring further the devolution of traffic enforcement powers. Removing Secretary of State consent requirements will empower local leaders and speed up decision making.
- Further simplify local transport funding matched to the key transport modes and functions.
- Set an expectation to develop an electric vehicle chargepoint strategy. This could be done within the Local Transport Plan.

Taxi and Private Hire Vehicles

Taxis and private hire vehicles are an important part of our transport networks and some of the most vulnerable groups in our society rely on them. We recognise there are concerns about out-of-area working by

private hire vehicles and are exploring how best to address these concerns. As part of this, we will consult on whether to make all Local Transport Authorities (including Strategic Authorities) responsible for taxi and private hire vehicle licensing.

Administering taxi and private hire vehicle licensing across this larger footprint would increase the consistency of standards and enable more effective use of enforcement powers across a whole functional economic area. Greater economies of scale should also enable authorities to improve the efficiency of licensing, reducing the incentives for people to license out of their usual working area. This would be a significant change for the sector, and we will work with stakeholders to understand possible impacts before taking a final decision. In London, taxi and private hire vehicle licensing is already the responsibility of the Mayor and Transport for London.

Local Transport Plans

Central to the role of Strategic Authorities is the development of a Local Transport Plan. To make sure Local Transport Plans are as effective as possible, the government will:

- Require that Local Transport Plans have regard to all other Strategic Authority plans and strategies, like the Spatial Development Strategy.
- Require that constituent authorities carry out their functions with regard to the Local Transport Plan – for example, where they are using their powers over local roads.
- Update the framework for Local Transport Plans, including publishing new guidance to support integrated local transport networks across the country.

3.4 Skills and employment support

Devolution means skills and employment provision that is more relevant to local jobs. The government will therefore go further than ever before in devolving adult skills and employment support to support local leaders to develop integrated plans and delivery.

Adult skills and post-16 education

Central to the government's approach is to provide Strategic Authorities the devolution of non-apprenticeship adults skills funding. For Mayoral Strategic Authorities, this will combine and un-ringfence funding for the Adult Skills Fund, Free Courses for Jobs, and Skills Bootcamps from 2026/27 onwards [\[footnote 38\]](#). For Established Mayoral Strategic Authorities, this will

form part of their Integrated Settlements from 2025/26 onwards. Foundation Authorities will continue to receive devolved Adult Skills Fund alongside ringfenced funding for Free Courses for Jobs and Skills Bootcamps.

Local Skills Improvement Plans

Recognising the central role of employers to develop Local Skills Improvement Plans and the vital role of Strategic Authorities where they exist, we will establish joint ownership of the Local Skills Improvement Plans model involving Strategic Authorities and the designated Employer Representative Bodies.

Under this model, and subject to any necessary legislation and statutory guidance needed to implement these changes:

- **Employer Representative Body designation:** When designating a new Employer Representative Body, Strategic Authorities will be involved in the process, with their comments informing the Secretary of State's decision to designate. Going further the Secretary of State for Education would not designate (without good reason) an Employer Representative Body unless the Strategic Authority was satisfied in the choice.
- **Local Skills Improvement Plan development:** In Strategic Authority areas, Local Skills Improvement Plan development will commence with the Strategic Authority establishing the sector skills priorities and sharing relevant data with the designated Employer Representative Body. These will inform the development of the plan and provide the framework within which it exists, alongside Local Growth Plans, the Industrial Strategy, Skills England's assessment of skills needs, and employer input. We will ensure Strategic Authorities and Employer Representative Bodies work together on all stages of the Local Skills Improvement Plan and its governance, with local discretion on the arrangements to deliver this.
- **Local Skills Improvement Plan approval:** Strategic Authorities and Employer Representative Bodies will be required to confirm they are both content with the plan before it is sent to the Secretary of State for Education (through Skills England) for approval. In the rare instances where the Employer Representative Body and Strategic Authority cannot agree a Local Skills Improvement Plan, and recognising the vital importance of all parts of the country having up-to-date Local Skills Improvement Plans, it may be escalated to the Secretary of State for Education. However, even in these cases, the new requirement to include the Strategic Authority's sector skills priorities within the Local Skills Improvement Plans would remain. A Local Skills Improvement Plan could not be approved if this was not the case.

We expect Local Skills Improvement Plans to be clearly linked to Local Growth Plans, relevant parts of the Industrial Strategy and Skills England's assessment of skills needs.

To ensure the policy is implemented effectively, we will align Local Skills Improvement Plan geographies with Strategic Authority geographies wherever possible. Strategic Authorities and Employer Representative Bodies will work with Skills England to ensure insights from Local Skills Improvement Plans are fed into the national picture.

16-19 skills

We will continue to ensure that there is a national and consistent approach to education and training for 16–19-year-olds. However, Mayoral Strategic Authorities have a crucial role in ensuring there are clear pathways of progression from education into both further and higher education and local employment opportunities and the government will work with Mayoral Strategic Authorities to develop the tools needed to support them in delivering this. Initial steps include:

- Ensuring Mayoral Strategic Authorities have regular, structured opportunities to feed their priorities into the Department for Education’s annual strategic conversations with colleges to inform and help the further education sector in shaping provision that includes clear pathways of progression from education into further/higher education or local employment opportunities.
- Working with Mayoral Strategic Authorities to use their convening powers and influence to secure work and industry placements with local employers that relate to 16-19 education, training and career paths.
- Providing joint ownership of the Local Skills Improvement Plan model (see above) will also give Strategic Authorities a clear mechanism to help inform the skills offer locally. As part of these new joint ownership arrangements for the Local Skills Improvement Plans model, Strategic Authorities and Employer Representative Bodies can ensure the Local Skills Improvement Plan facilitates opportunities for 16–19-year-olds to undertake apprenticeships, education and training that lead to good quality employment opportunities.

Devolution in action: Utilising the Adult Education Budget in Greater Manchester

Since devolution of the Adult Education Budget (AEB) in 2019 (now the Adult Skills Fund), Greater Manchester Combined Authority (GMCA) has taken a number of measures to expand access to adult education provision with a focus on residents most in need of opportunity, and to ensure all adult education has a connection to the local labour market.

To expand access, GMCA has introduced a range of policy changes and flexibilities to widen eligibility of the AEB resulting in c.17,000 more residents enrolling on a total of over 28,000 learning aims that wouldn’t have been accessible under national eligibility. GMCA has also implemented a Local Authority Grant programme to support alleviating

barriers to accessing adult and digital skills, worth £1.5m per year for Local Authorities. All GM residents can now access a range of fully funded digital qualifications up to and including Level 2 irrespective of their employment status or income, compared to the national offer which is only up to a Level 1. To date, 2200 residents have taken up this opportunity. Further, GMCA has mandated that at least 50% of AEB delivery takes place in Lower Super Output Areas (LSOAs)^[footnote 39], ensuring a focus on Greater Manchester residents to whom opportunities to learn and upskill are most valuable, and which may otherwise be out of reach.

To ensure adult education meets employer needs, GMCA has streamlined the number of skills providers, removing funding from providers that could not evidence their responsiveness to GMCA employers' needs or strategic priorities. A local strategic provider board was established, convening all providers, colleges and local authorities to collectively discuss need and provision. Alongside this, GMCA has incorporated the use of real-time sector skills intelligence to align the level 3 offer with the needs of employers and introduced agile responses to meet local demand. For example, in partnership with Wigan and Leigh College and KraftHeinz – a large employer in Wigan – GMCA has delivered a local skills intervention to support the manufacturing sector and address a productivity-limiting skills gap through flexed AEB funding to expand eligibility for a Level 3 qualification in Mechanical Engineering and Mechanical Maintenance. Delivery was modified to support module-based learning for small groups to facilitate KraftHeinz's continuing business operation, supported by an employer contribution.

GMCA has also taken a holistic, place-based approach, which has considered not just individual funding streams in isolation, but as part of a wider employer-focused package. This has included using AEB funded provision as a springboard to in-work upskilling programmes such as Skills for Growth. In total, since devolution, over 148,000 Greater Manchester residents have accessed over 320,000 devolved AEB-funded courses.

Employment and careers

The UK is the only country in the G7 whose employment rate has not returned to pre-pandemic levels ^[footnote 40]. 2.8 million people are out of work due to long-term sickness^[footnote 41]. 946,000 young people (aged 16-24-years-old) are currently not in work or education^[footnote 42]. This is a major constraint on the government's ambition to grow the economy. Strategic Authorities should be at the forefront of our response to these challenges in England.

As announced in the Get Britain Working White Paper, Strategic Authorities will be responsible for producing a local Get Britain Working Plan, focused on reducing economic inactivity. To support these plans, the government will devolve funding for supported employment provision to tackle inactivity to Strategic Authorities via grant funding, so they can design and deliver an offer that is shaped around local priorities and provision. For Established Mayoral Strategic Authorities, this funding will form part of their Integrated Settlement.

To accelerate a more locally-led and joined-up approach to tackling economic inactivity, and as set out in the Get Britain Working White Paper, we will launch a set of place-based trailblazers in Greater Manchester, the North East, South Yorkshire, West Yorkshire, London, and York and North Yorkshire to run during 2025/26.

We will also launch a set of place-based Trailblazers in West Midlands, Liverpool City Region, Tees Valley, East Midlands, West of England, London, and Cambridgeshire and Peterborough to design and test how different elements of the Youth Guarantee can be brought together into a coherent offer for young people.

All Mayoral Strategic Authorities will have a role in co-designing any future non-Jobcentre Plus employment support. Their subsequent role in commissioning or delivery will be determined as part of agreeing the policy objectives, design and funding parameters of any future programme. The government remains committed to ensuring that support remains evidence-based, represents value for money, and is aligned with Department for Work and Pensions delivered support.

Established Mayoral Strategic Authorities will play an integral role in the design and delivery of this support, subject to evaluation and readiness conditions being met, with a clear outcomes and accountability framework. We will also explore ahead of the next Spending Review whether there is scope for devolution of relevant funding as part of Integrated Settlements, subject to a transition period enabling authorities to demonstrate readiness and build capacity locally.

To create a holistic, joined-up employment, skills, and health offer, the government will work in close partnership with Strategic Authorities to design, develop, and test the National Jobs and Careers Service. These tests will be designed to help us discover how we can locally shape services, whilst the government maintains overall accountability for them. As a first step towards developing a more locally responsive and engaged organisation, we will more closely align Jobcentre Plus geographies with existing Mayoral Strategic Authorities.

The framework also gives Mayoral Strategic Authorities a central role in convening local youth careers provision within the national context. For example, it provides greater flexibility for Mayoral Strategic Authorities to

support the work of Careers hubs, which support schools and colleges to deliver careers information, advice, and guidance to their pupils and students.

Devolution in action: Working Win, South Yorkshire

Since 2017, South Yorkshire Mayoral Combined Authority (SYMCA) has delivered one of only two national pilots for the health-led employment programme – Individual Placement Support in Primary Care (IPSPC), known locally as Working Win, this is funded by the government’s cross departmental Work and Health Unit. The pilot targeted residents in South Yorkshire with mild to moderate physical or mental health conditions, to be supported into work or to sustain employment that had been at risk because of their health condition.

Working Win is distinguished by its local co-design approach, working with employers and health professionals, to develop a programme that offers personalised support. This has created a shared sense of ownership and trust, enhancing the credibility of programme and commitment from partners, and harnessing pre-existing local infrastructure, networks, and relationships to support implementation and delivery. The total number of residents supported by Working Win has now reached more than 5,200, with over 2,500 returning to work or finding work.

Working Win has opened the door for deeper exploration of other regional approaches to tackling health-related absences from work, such as Pathways to Work, laying the foundations for further integration of health and employment support in the region.

3.5 Housing and strategic planning

Devolution will deliver more houses that are closer to infrastructure, as well as more social and affordable housing. Strategic Authorities have not been able to play their full role because of a lack of effective powers, whether over strategic planning or affordable housing.

Strategic planning and development

As part of the government’s commitment to move towards a universal system of strategic planning (see Box: A Universal System of Strategic Planning), all areas, both areas with a Strategic Authority and those without, will be required to develop Spatial Development Strategies over a strategic geography, and within a defined time frame.

In Mayoral Strategic Authorities, Mayors will be empowered to develop and propose the Spatial Development Strategy for their areas, working closely with Strategic Authority members. Spatial Development Strategies will be approved with the support of a majority of constituent members, including the Mayor. In cases of deadlock, the Mayor will have a casting vote, and where the threshold for agreement cannot be reached, Mayors will be able to refer the proposal to the Secretary of State for decision.

In Foundation Strategic Authorities, there will be the same requirement and priority to produce a Spatial Development Strategy, although in some cases this may need to be agreed with neighbouring authorities over a larger geography. Where the Strategic Authority covers multiple Local Authorities, members will need to work together to deliver these plans, with the support of a majority of constituent members required to adopt the proposal. Where the Strategic Authority is unable to reach an agreement to a suitable time frame, there will be powers of intervention available to the Secretary of State to ensure the Spatial Development Strategy can be progressed.

We are committed to the strategic planning system being universal, so areas without Strategic Authorities will also need to produce Spatial Development Strategies, as set out in Box: A Universal System of Strategic Planning.

As is already the case in London, we will make sure Mayors are able to bring forward development, as well as plan for it. Once a Spatial Development Strategy is in place, Mayors will therefore also have access to development management powers allowing them to intervene in planning applications of potential strategic importance. To support the delivery of strategic infrastructure projects, Mayors will have powers to raise a Mayoral Community Infrastructure Levy.

Mayors will continue to have powers to apply compulsory purchase orders and to establish Mayoral Development Corporations. We will also extend to them the power to make Mayoral Development Orders. Mayors are currently required to secure the consent of the relevant Local Planning Authority to exercise these powers, however, we will review these arrangements to ensure they remain fit for purpose in the context of the strengthened role that Mayors are expected to play in strategic planning and development.

The government will also provide support for Established Mayoral Strategic Authorities to establish their own public sector land commissions, for example by providing relevant contacts with partners, departments, and stakeholders, and engagement with the government on specific barriers, opportunities, and sites.

Housing delivery

As devolution is deepened, Mayors will play an increasingly central role in housing delivery. To support Mayors in delivering on their housing ambitions, all Mayoral Strategic Authorities will be given control of grant funding to support regeneration and housing delivery. This will be delivered as part of the Integrated Settlement in Established Mayoral Strategic Authorities from 2026/27 onwards. Further details on this will be agreed as part of the Spending Review process.

Established Mayoral Strategic Authorities currently work with Homes England through Strategic Place Partnerships – a formal partnership arrangement which brings together their respective strengths and resources. All Mayoral Strategic Authorities will now have access to these partnerships, subject to a period of joint working on pipeline development and delivery planning. However, we want to go further. In the short term, we will increase Homes England’s accountability to Established Mayoral Strategic Authorities. This will include giving Established Mayoral Strategic Authorities the ability to steer and monitor Homes England’s progress in delivering on objectives agreed through their Strategic Place Partnerships, and set out in their wider plans, and to escalate any issues to ministers. We will work with these areas over the coming months to develop the detail of how this will operate. Beyond this, the government has announced that Homes England will move to a more regional and place-based operating model to align its structures and ways of working to the government’s devolution agenda. Homes England will also work with Foundation Strategic Authorities on a targeted basis to develop a shared development pipeline and joint action plan, using a continuous market engagement approach to identify the authorities with capacity for accelerating development.

Decisions on affordable housing are currently taken too far away from Mayors’ plans. It is vital that this changes so that decisions meaningfully recognise and respond to Local Growth Plans and Spatial Development Strategies – both in Homes England’s work to encourage pipelines of bids, and in the specific decisions relating to the allocation of grant to social landlords, (including Local Authorities), within the Mayor’s area. Over time, the government is seeking to move towards full devolution of funds and delivery for affordable housing. As an interim step, Established Mayoral Strategic Authorities will be given the ability – through their Strategic Place Partnerships with Homes England – to set the strategic direction of any future affordable housing programme in their area, including shaping the tenure mix and identifying priority sites for housing development to be supported by grant. As part of this, there will be a clear approach to ensuring responsibility of Homes England to the Mayors (recognising constraints such as market demand) and a clear framework on the specific decisions Mayors will be able to take, agreed with the Ministry of Housing, Communities and Local Government and to be implemented by Homes England. To support planning, this will include upfront indicative spend per Established Mayoral Strategic Authority, subject to suitable projects being

identified. This will support the government's commitment to kickstart the biggest increase in social and affordable housebuilding in a generation.

Box A: Universal system of strategic planning

The government has been clear that it will implement a universal system of strategic planning within the next five years. The model that is proposed is the Spatial Development Strategy (SDS), which is well established in London, the London Plan having been produced and continually reviewed over 20 years. As set out at 3.5, where Strategic Authorities exist, they will be responsible for producing or agreeing the SDS for their areas.

While it is our ambition for every area of England to be covered by a Strategic Authority, this will be a gradual process. We want to move quickly on strategic planning. This means that where no Strategic Authority is in place or is planned to be in place, the government will take a power through the forthcoming Planning and Infrastructure Bill to direct defined groupings of upper-tier county councils, unitary councils, and in some cases Foundation Strategic Authorities to deliver an SDS. Given the intention to have all SDSs produced by Strategic Authorities in due course, the government believes it makes sense in the first instance for these groupings of local authorities to be guided by the sensible geography criteria that have been set out for agreeing new devolution deals (see 2.2.1). The arrangements for agreeing a SDS in areas without a Strategic Authority will follow the same principles as Foundation Strategic Authorities.

In all areas, SDSs 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. However, Local Planning Authorities should not delay development of Local Plans while they await the adoption of an SDS. Relevant Local Plans should continue to be updated or developed alongside the SDS process.

Areas will be able to set a SDS to enable their area to grow, identify the infrastructure that is needed and strategic locations for development. This will include an obligation to apportion an assessment of the housing need of the Strategic Authority across its constituent members. The government intends for that assessment to be the cumulative total of the local housing need of each constituent member, as determined by the Standard Method set out in national planning policy. The apportioned figure set for each constituent member in the SDS will then be the minimum housing requirement for the purposes of each member authority's next Local Plan. Agreement on the precise distribution of housing need will be agreed through the SDS development process. We also expect that the authorities producing SDSs will be able to encourage the pooling of resources and prioritising of efforts across their constituent authorities to meet housing need.

The content of SDSs will be kept deliberately high level with the dual purpose of preserving detailed policy and site allocations for local planning authorities through their local plans, and for enabling strategic plans to be produced quickly, with the intention of achieving national coverage by the end of this Parliament. The government expects high levels of collaboration to be demonstrated between the Strategic or upper-tier local authorities who are responsible for the SDSs and local planning authorities in the area. There will be a formal duty for responsible authorities to consult district councils on the development of the SDS and a route for district councils to raise concerns with the planning inspectorate.

Across all areas, these arrangements will encourage partnership working and we envisage that there will be genuine opportunities for efficiencies by sharing research, evidence and expertise that can support both the SDS and Local Plans. However, the government is determined to ensure that, whatever the circumstances, SDSs can be concluded and adopted in a reasonable time period. In order to ensure universal coverage of strategic plans, we will legislate for intervention powers, which will enable the government to intervene where plans are not forthcoming to the timeframe. These will include directing on timetables or particular policy content such as the distribution of housing need, through to taking over the preparation of an SDS and adopting it on behalf of strategic planning authorities.

3.6 Economic Development and Regeneration

Devolution means more investment in local areas. We will strengthen Mayors' ability to attract international investment, support business to thrive and grow, and create vibrant places where people want to live and work.

Supporting the local business environment

The government recognises the need for strong partnership working between national and regional actors to support productivity and growth. The Department for Business and Trade will:

- Establish bilateral strategic partnership forums with every Mayoral Strategic Authority, building on successful models in Greater Manchester and the West Midlands to strengthen existing partnership working, align national and local policymaking, and drive delivery of local growth priorities as identified by areas through their Local Growth Plans. They will ensure effective delivery of interventions to boost domestic business growth, boost exports, and encourage inward investment and grow the co-operative and mutual economy

- Publish a Small Business Strategy, next year via a command paper, setting out the government's vision for a new approach to business support, including more devolution in England (through Integrated Settlements where relevant) and a strengthened role for Mayors. The Department for Business and Trade will engage Mayoral Strategic Authorities to shape the Small Business Strategy's development and implementation. This will include consideration of how national, local, and devolved business support schemes – spanning domestic growth, exports, and investment – can best align to increase business growth and productivity. Following wide consultation, the Strategy will also set out further detail of a new Business Growth Service, bringing a range of existing core services under the Business Growth Service banner, working hand in glove with local government, Strategic Authorities, devolved governments, and the Growth Hubs network.
- Work with Mayoral Strategic Authorities and local partners across the North of England in the first instance and then the Midlands and South of England to roll out a tailored export growth programme to high growth businesses in other Mayoral Strategic Authorities. This data-led programme will target small businesses with high international growth potential in the regions, by flexing the existing pilot which was co-designed with the Greater Manchester Combined Authority and local partners.
- Continue to integrate Growth Hubs into Mayoral Strategic Authorities, with funding forming part of the Integrated Settlement in Established Mayoral Strategic Authorities. This will see Mayoral Strategic Authorities taking the lead in managing and focusing local business support, and delivering a core suite of business growth products, as part of an England-wide Growth Hubs network.

The government is also committed to more focused joint working between the Office for Investment and Mayoral Strategic Authorities to maximise the attraction of large-scale inward investment. To do this, the Office for Investment will work with Established Mayoral Strategic Authorities to develop and jointly market investible propositions for significant, commercially viable opportunities, in order to land key strategic investments. This offer will be prioritised for Established Mayoral Strategic Authorities initially and extended out to other Mayoral Strategic Authorities where possible. The Office for Investment will also explore establishing a senior official-level forum with Mayoral Strategic Authorities on a pan-regional basis.

Devolution in action: Innovation-led growth in Tees Valley

The Tees Valley Combined Authority (TVCA) has an ambition to transition to a high-value, low-carbon, diversified, and inclusive economy. The Tees Valley has several regionally strong sectors with growth potential and a focus on innovation, including the digital and creative sectors. The region's digital sector hosts an exciting mix of

young, vibrant businesses, including home grown global leaders, and has shown strong increases in R&D intensity in recent years. Combined with the region's broader industrial strengths in chemicals, advanced manufacturing, and clean energy, the growing digital sector is providing new opportunities for economic growth.

To capitalise on these opportunities, the government is working with the TVCA to boost innovation-led growth in the digital and creative sectors through the developing Investment Zone. Focused on existing assets in Hartlepool and Middlesbrough – such as Teesside University, an industry leader in animation and computer gaming – the Investment Zone is set to boost inward investment, unlocking up to £175 million of additional investment. The digital sector in the region is already more productive than the national average – and the Investment Zone is set to turbocharge this by further increasing productivity and creating more than 2,000 new jobs over the next ten years.

Strengthening local innovation ecosystems

A strong local network of public and private institutions focused on R&D, innovation, and the diffusion of ideas is one of the factors which sets highly productive local economies apart. We want to support more local leaders, working in partnership with businesses and universities, to unlock their regions' innovation potential – ensuring everyone benefits from innovation-led growth.

The government will build on existing commitments to support effective innovation partnerships by empowering regional innovation decision-making through stronger direct connections with UK Research and Innovation. This will include:

- Building on the lessons learned from the successful innovation accelerator pilots, 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. This will allow local leaders to develop bespoke innovation support offers for their regions and deliver these in partnership with UK Research and Innovation, based on their capability and the maturity of their local innovation ecosystems.
- UK Research and Innovation extending its regional partnerships and network of embedded points of contact with Mayoral Strategic Authorities that are committed to work collaboratively on innovation, ensuring they are strategically involved in the development and delivery of future strategies and investments.
- Innovate UK collaborating with all Mayoral Strategic Authorities to produce joint plans that shape long-term innovation strategies and investments in places.

- Publishing UK Research and Innovation data on the location of investments to help Strategic Authorities to understand publicly supported innovation activity in their region and how to best take advantage of it.
- Establishing annual engagement between the Mayors of Established Mayoral Strategic Authorities and the Science Minister, plus more regular senior engagement with UK Research and Innovation senior leaders.
- Consulting with Established Mayoral Strategic Authorities on the development of relevant Department of Science, Industry and Technology and UK Research and Innovation strategies.

Devolution in action: Anglia Ruskin University Living Lab, Cambridgeshire and Peterborough

For decades, Peterborough had wanted a new university to tackle a ‘coldspot’ for higher education which has held back economic growth and opportunity in the city. Following devolution in Cambridgeshire and Peterborough and the formation of the Combined Authority, renewed impetus was given to the ambition of a new university for Peterborough.

An initial partnership of the Combined Authority and Peterborough City Council became tripartite when Anglia Ruskin University joined as the higher education partner. Working with partners, the Combined Authority developed business cases which enabled over £80 million of funding to be secured across the various phases of development. In addition to convening the partnership and securing significant funding, the Combined Authority was also responsible for programme management, providing strategic oversight, and key engagement campaigns.

£30.5 million of funding was secured to deliver the first phase, University House, which opened for the 2022/23 academic year. The striking and sustainably designed building features a lecture hall, science laboratories, health simulation suites, café, and other academic facilities. An additional £16.8 million was secured to deliver an Innovation and Research Centre with incubator space for innovation-led business. Construction of this second phase was completed in winter 2023. £20 million was secured from the government, and £11.8 million provided from the local partners, to deliver the third phase; a second teaching building, The Lab, which incorporates the Living Lab. Works began in spring 2023 and construction completed in August 2024.

Culture, heritage, sport, and the visitor economy

The UK’s culture, heritage, sport, and tourism are vital anchors in regional economies and among the fastest growing industries with huge potential to drive local economic growth and create opportunities for people in every part of the UK.

For too long, arts and culture funding has been far too concentrated in certain parts of the country to the exclusion of others. The Department for Culture, Media and Sport is reviewing how funding is currently allocated and delivered, alongside a review of Arts Council England to ensure every part of the UK has the chance to access the arts and see themselves reflected in our national story. The same is true of our world-leading television sector. The government wants broadcasters to be more ambitious in growing the sector across the UK and to commission content from every part of the country, because who tells the story determines the story that is told. We have committed to work with the sector to ensure the right framework, conditions, and support are in place for this to happen.

The government will work with Mayors and Local Authorities to devolve the levers of growth in these sectors. The pipeline of skills is a brake on the growth of the creative industries. Our work to address skills challenges through the creative industries sector plan is an opportunity to reset this. We will work with Mayors and Local Authorities to ensure decisions about funding are made with them and, where possible, align with Local Growth Plans. The government will also co-produce an ambitious, transformative National Youth Strategy that will have a particular focus on empowering young people to have a strong voice in local government and the issues that matter in their communities. This new Strategy will be published next year.

Public appointments to major cultural institutions have not been representative enough of the whole country, including geographically. The government will rectify this, working with Mayors and Local Authorities. The Department for Culture, Media and Sport will be setting out further plans on this shortly.

The Department for Culture, Media and Sport will also review the data that it collects and publishes to ensure it provides a better picture of regional and local impact and investment.

We want to ensure that all of the Department for Culture, Media and Sport's Arm's Length Bodies – including arts, sports, and heritage organisations – do their bit in supporting local areas to grow and develop their culture, sports, heritage, and tourism offer, partnering with Strategic Authorities to help deliver their Local Growth Plans. The Department and its Arm's Length Bodies will also explore the potential for deeper, collaborative partnerships with Strategic Authorities to share expertise across culture, heritage, sport, communities, and the visitor economy, opening up opportunities for joint working and alignment between organisations.

Devolution in action: Liverpool City Region Film Production Fund

Liverpool is the most filmed location in the UK outside London and has hosted productions for blockbuster films and series. The Liverpool City Region Combined Authority (LCRCA) sought to build on the existing successes in the sub-sector, using some of their devolved £30 million a

year investment fund to support film and TV production locally, via a Liverpool City Region Production Fund.

The fund comprises two interlinked strands – expansion of the Liverpool Film Office to deliver a service across the whole of the city region, promoting locations, facilities, and services and delivering an improved service to external investors; and the establishment of a content fund to attract high value projects to film in the city region.

Via the Production Fund, LCRCA has invested in several high-end television dramas, including *Time*, which won the 2022 BAFTA Television award for best mini-series. In addition to the Production Fund, LCRCA has committed £17 million to transform the city region into the ‘Hollywood of the North’ by regenerating the old Littlewoods building and nearby Depot site to create new studios and sound stages in Liverpool.

3.7 Environment and Climate Change

Making Britain a clean energy superpower is one of the government’s five defining missions. The decarbonisation journey will support efforts to protect the natural environment and biodiversity. The government is committed to working closely with Strategic Authorities to drive progress on the green transition and capitalise on the social, economic, and well-being benefits for local communities that this shift will deliver.

Decarbonising the economy

Strategic Authorities will be crucial partners in achieving the government’s clean power mission to transition Great Britain to a low-cost, clean power energy system by 2030, and in implementing the Warm Homes Plan to save households money on their bills and to reduce the UK’s carbon emissions.

As part of this mission, Great British Energy will be tasked to work with local government through the Local Power Plan to support the roll out of small-medium renewable energy projects at the local level. This is expected to provide support for Strategic and Local Authorities (as well as community energy groups) to deploy up to 8GW of additional power from small-medium sized generation projects by 2030, and to help Strategic and Local Authorities to build their own pipelines of successful projects.

As previously agreed, funding for warmer homes and greener buildings will form part of the Integrated Settlement for 2025/26. The schemes currently in scope are the Warm Homes: Local Grant, the Warm Homes: Social Housing Fund, and the Public Sector Decarbonisation Scheme. We will extend this approach to other Established Mayoral Combined Authorities over the

course of this Parliament. We will begin this with a transition period that enables areas to build capacity and capability and demonstrate a strong track record of retrofit delivery. Once this capacity, capability, and track record is established, funding will transition to becoming part of the areas' Integrated Settlements. We will engage closely with the North East, South Yorkshire, West Yorkshire, and Liverpool City Region Mayoral Combined Authorities, during the current rounds of the national schemes, to prepare and transition delivery by, at the latest, 2028.

Alongside this, the Department for Energy Security and Net Zero is moving towards a simplified, allocative approach for funding schemes, for example via Strategic Partnerships in the social housing scheme, which will pave the way for further devolution of the delivery model for the Warm Homes Plan.

The government also recognises the unique strategic role that Strategic Authorities can play in planning our future energy system by operating across functional economic areas. To give Strategic Authorities a meaningful role in planning our future energy system, the National Energy System Operator will engage with them as it develops Regional Energy Strategic Plans and provide a transparent route for local insights to inform energy system planning.

In addition, the government is committed to establishing heat network zoning in England. Zoning coordinators within Strategic Authorities will be able to designate areas as heat network zones, enabling the most appropriate level of local government to assume the role of heat network zoning coordinator and play a key role in the delivery of heat decarbonisation.

Devolution in action: West of England Combined Authority Climate and Ecology Strategy and Action Plan

The West of England Climate and Ecology Strategy and Action Plan sets out the region's plans to achieve net zero by 2030, and to get nature into recovery. The West of England Combined Authority (WECA) has been able to use its convening role and ability to take action at a strategic scale to bring stakeholders together around the plan.

The plan provides a long-term framework which aims to facilitate action at the most appropriate level – either regionally or locally – and targets funding to where it will have the most impact. It brings together aims across transport, buildings and places, business and skills, energy, nature recovery, and climate resilience. WECA has used targeted investment to help achieve these aims, including creating a £60 million Green Recovery Fund through their investment fund. This has included investing £5 million to deliver 300 electric charge points and 400 charging bays, to increase uptake of zero emission vehicles, and £1.5 million for Sustainable Innovation Finance Foundations for Wind

Turbines, providing a pipeline of up to 70MW of investable onshore wind projects.

Environmental and climate leadership

Strategic Authorities will play a crucial role in preparing for the future and tackling climate change and nature emergencies at the local and regional level. Local, place-based environmental leadership is an essential part of this. We will begin the transition by enhancing the roles and functions of the responsible authorities for Local Nature Recovery Strategies. We will empower these authorities, which are already operating at county or combined authority scales, with a clear mandate to take a leadership role on Local Nature Recovery Strategies and wider environmental delivery. This will include convening partnerships, helping coordinate action, funding, and investment in nature recovery and wider environmental delivery across their areas, and monitoring and reporting on delivery. Over time, we envisage Strategic Authorities will be appointed the Local Nature Recovery Strategies responsible authority where they are not already.

Future opportunities for devolution and partnership working will be explored with Strategic Authorities. These could include issues like water management, the circular economy, pollution, or flood resilience. We will also explore how Strategic Authorities and Mayors can provide greater local leadership in responding to the impacts of climate change, and a better route for rural communities to be considered in local policy decision making.

Devolution in action: York and North Yorkshire's Routemap to Carbon Negative

York and North Yorkshire Combined Authority (YNYCA) is committed to becoming a net zero region by 2034, and carbon-negative by 2040 – an ambition developed through the Routemap to Carbon Negative.

In 2023, YNYCA launched its Net Zero Fund to commit £7 million to net zero projects across the region. The fund, which came as part of the region's devolution deal, has enabled organisations to take climate action, from decarbonising building emissions to boosting sequestration activities across the rural areas of the region. Earlier this year, through devolved funding, the York and North Yorkshire Mayor announced the £10 million Carbon Negative Challenge Fund, which aims to accelerate York and North Yorkshire's transformation to become England's first carbon negative region.

Alongside carbon reduction, investment aims to drive economic growth, create jobs, and attract investment into the region. YNYCA is also taking forward research into a private and public sector investment partnership model which looks to accelerate the pathway to net zero, bringing social

value and long-term economic benefits to the region. This is part of Department for Energy Security and Net Zero's Local Net Zero Accelerator programme.

Meanwhile YNYCA's Local Investment in Natural Capital programme, in partnership with North Yorkshire Council and City of York Council, is using £1 million in Department for Environment, Food & Rural Affairs funding to develop a pipeline of investment-ready natural capital projects and associated finance mechanisms to generate revenue and returns for investors.

3.8 Health, Wellbeing and Public Service Reform

Strategic Authorities have a key role to play in taking action, particularly on the social determinants of health, through the exercise of their functions, in areas such as transport, housing, and planning, and through working with other local leaders to move away from traditional forms of service delivery to a holistic approach, organised around service users.

Improving the public's health

To support Strategic Authorities to be active leaders in this space and drive a "health in all policies" approach in line with our Mission government approach, the government is introducing a new bespoke duty in relation to health improvement and health inequalities^[footnote 43]. This will ensure Strategic Authorities have regard to the need to improve health, and the need to reduce health inequalities, in the exercise of their functions, and give them a clear stake in improving local health outcomes. This will complement the existing health improvement duty held by upper-tier Local Authorities. We will engage Strategic Authorities, Local Authorities and the NHS as we take this forward.

The government recognises the benefits that aligned geographical boundaries can have for improving coordination between public services. In South Yorkshire, the aligned boundaries between the Integrated Care System and the Combined Authority have facilitated joint working, including the Mayor chairing the Integrated Care Partnership. The government will therefore work with stakeholders to identify areas where alignment and closer working can be facilitated where there is a clear rationale for doing so, and where the benefits in aligning geographical boundaries significantly exceed any costs and risks incurred.

To support better join-up between Strategic Authorities and Integrated Care Systems, the government expects that Mayors (or a delegate) will be appointed to one or more relevant Integrated Care Partnerships in their

local area. We will also establish an expectation that the Mayor or a delegate is considered for the position of Chair or co-Chair of the Integrated Care Partnership, alongside Local Authority, Integrated Care Board and independent chair options.

We will further set an expectation that Integrated Care Boards will engage with mayors during the Integrated Care Board Chair appointment process and will involve them in setting their priorities and developing their plans.

The government recognises that Strategic Authorities will need appropriate powers and levers to maximise their impact on public health and the government's health and growth missions. The government will keep under consideration the powers and levers that should be made available to Strategic Authorities to support delivery of improvements in health outcomes and maximise impact on the health and growth missions.

Devolution in action: West Midlands Smart City Region

The West Midlands Combined Authority (WMCA) is working in partnership with the three NHS Integrated Care Boards in the region and the constituent Local Authorities to scale the adoption of pioneering technology solutions to transform health and care. Led by WM5G (a wholly owned subsidiary of the WMCA), the programme is focused on helping tens of thousands of citizens to stay well, get diagnosed faster, and therefore treated more effectively for chronic diseases and be supported to live at home for longer – thereby reducing waiting lists, improving productivity and reducing hospital readmissions and bed blocking.

Through partnership working, WM5G and WMCA have brought together multiple funding streams from public and private sector organisations, including in-kind contributions from local Integrated Care Boards, as well as project management and finance support to get innovative projects into sensitive care and treatment settings. Specifically, this financial year they are:

- Cutting screening times for bowel cancer from 30 weeks down to 2 weeks to help up to 2,000 citizens get diagnosed faster by launching colon capsule endoscopy (so-called 'pill cams') in Birmingham and Solihull – the first region in England to do so. This service being delivered locally to citizens in conveniently located community diagnostic centres rather than the hospitals, therefore reducing journeys and boosting capacity. WMCA are also in discussion with West Midlands Integrated Care Boards about embedding AI into these services for faster patient selection and imagery processing.
- Launching technology-enabled social care services for up to 1,000 citizens in Coventry, Birmingham, and Wolverhampton to help more people to be discharged from hospitals and increase the capacity of

carers to support more people to live and return to their home. This is being complemented by other remote monitoring services for up to a further 4,000 citizens, at home and in care homes across the West Midlands.

- Helping up to 100,000 citizens access free wellness and prevention support – for example to quit smoking, lose weight, or reduce alcohol consumption.

Public service reform and prevention

The framework positions Strategic Authorities as convenors on public service reform, working in partnership with Local Authorities, to bring partners together to drive forward public service reform and prevention. With the support of the government, Strategic Authorities will collaborate with councils to deliver reform and innovation, as they have the geographical footprint to coordinate strategic priorities and bring together disparate parts of the public sector. Strategic Authorities can also enable and support Local Authorities in their role as convenors of place, bringing together public service providers and other stakeholders to drive people-centred services.

To complement the convening role that Mayors will be granted via the new Devolution Framework, we will continue to work with the sector to identify where else they can add value, including considering the devolution of any funding relating to public service reform and prevention

Devolution in action: Public service reform and prevention in Greater Manchester and Liverpool City Region

The Mayor of Liverpool City Region Combined Authority has committed to establishing an Office for Public Service Innovation. This aims to work with government to improve public services by addressing long-standing challenges, examining how data and AI can be used alongside working with communities, and taking a multi-agency approach to enable earlier and more targeted interventions. The Mayor has also committed to setting up a taskforce to explore how the Combined Authority and other Liverpool City Region bodies across all sectors can effectively apply AI capabilities to generate inclusive economic growth and deliver better outcomes and value for money for local residents.

Greater Manchester was one of the first areas in the country to deliver health devolution alongside other public services, devolving £6 billion in health and social care funding to the region. This brought health and public services together in neighbourhoods supported by multi-agency teams, focusing on the holistic needs of individuals. This was also supported by place leadership across health, care, and local government in order to align resources in the community. The ability to better integrate local services meant that this also supported additional

targeted programmes of work focused around the wider determinants of health including crime, social support, and employment. The Work and Health Programme supported the long-term unemployed and people with health conditions or disabilities into sustainable employment. Working Well programmes supported over 70,000 residents to unpick a wide range of barriers to work. Of these, over 25,000 people have found employment many of whom were not likely to move into work without specialist intervention.

3.9 Public Safety

Strategic Authorities have an important role to play in achieving the government's Safer Streets Mission, supporting rehabilitation and reducing reoffending, and in supporting the safety of their residents and the resilience of their communities. But Mayors can play a bigger role with the right tools, complementing the role Local Authorities play in this area.

Police and fire

We aim to provide efficient, accountable, and visible leadership, with a determination from the outset to bring together the roles which operate at a sub-regional level.

Where mayoral geographies align with police force and fire and rescue geographies, Mayors will be, by default, responsible for exercising Police and Crime Commissioner and Fire and Rescue Authority functions. The government is committed to increasing the number of Mayors who take on Police and Crime Commissioner and Fire and Rescue Authority responsibilities. Alignment with police and fire services boundaries will therefore be a key consideration in the negotiation of new Strategic Authorities.

Where Strategic Authorities do not currently align with these boundaries, or where alignment is not appropriate for new devolution areas, we will take steps to ensure alignment over the longer term.

We will also explore whether a single Mayor can take responsibility for Police and Crime Commissioner and Fire and Rescue Authority functions across two or more police forces or two or more Fire and Rescue Authorities, where this would result in coterminous boundaries, and bring forward any legislative changes as part of the English Devolution Bill. Where there is a clear case in the interests of public safety, we will also enable police and fire boundaries to be altered incidentally upon the transfer of Police and Crime Commissioner and Fire and Rescue Authority functions to Strategic Authority Mayors, something we will consider on a case-by-case

basis to ensure the continued efficiency and effectiveness of policing and fire functions. This will enable more Mayors to take on public safety functions, strengthening the accountability of Mayors and enabling them to forge stronger links and partnerships for the good of all the people that live in their Strategic Authority area.

Where the Mayor does not exercise Police and Crime Commissioner functions, the government will foster collaboration between Police and Crime Commissioners and Strategic Authorities by asking Strategic Authorities to ensure that at least one Police and Crime Commissioner representative within a Strategic Authority geography is able to sit as non-constituent member of the Strategic Authority.

Devolution in action: Improving safety for women and girls in West Yorkshire

The Mayor of West Yorkshire has used her powers over transport, economy, and responsibilities for policing and crime to focus on improving the safety of women and girls. Alongside her role as West Yorkshire Police and Crime Commissioner, the Mayor has been able to utilise funding flexibility, aligning multiple funding streams with strong local partnerships to drive this work forward.

The Mayor established the first-of-its-kind dedicated unit to tackle violence against women and girls in the region. The team is a pioneering partnership with members from the West Yorkshire Combined Authority, the Violence Reduction Partnership and West Yorkshire Police to support victims and improve risk assessments and investigations. The Mayor has successfully utilised nearly £1 million of UK Shared Prosperity Funding to support the delivery of a number of priorities and actions in the Safety of Women and Girls Strategy working in partnership with the five Local Authorities. Delivery has resulted in over 47,500 engagements, resulting in a public health approach to education and prevention that delivered training to over 1,100 people. Alongside this, West Yorkshire Combined Authority has delivered a new team of police community support officers dedicated to West Yorkshire's bus network. Funded through £1 million from the Mayor's Bus Service Improvement Plan, police community support officers can patrol across bus stations and buses across the region, with the aim of reducing crime and anti-social behaviour and increasing the safety of women and girls and other more vulnerable travel users.

Offender rehabilitation

Strategic Authorities and Mayors can be instrumental in supporting rehabilitation and reducing reoffending. For example, Greater Manchester Combined Authority adopted a pioneering, whole-system approach to innovation with HM Prison and Probation Service, using practices such as

co-commissioning of rehabilitative and resettlement services, resulting in improved community safety and reduced crime in the region.

The government will therefore work closely with Mayors to explore how their skills, employment support, health, and housing levers can be better brought together at local level to support rehabilitation and reintegration of offenders into society. We will continue to seek opportunities for increased co-commissioning between probation and local partners, enabling us to use each other's collective knowledge and expertise, alongside public and community resources, to protect the public and reduce reoffending. In the long term, the government will explore greater alignment of probation boundaries in England with Mayoral Strategic Authorities, particularly in cases where mayors have taken on Police and Crime Commissioner functions.

Local resilience

Local government has long had a vital role in the resilience of our places and communities. The public look to local government to provide leadership and support in times of crisis. To date, the role of Strategic Authorities in supporting resilience has been less defined. The government will therefore support Strategic Authorities to adopt a clear role in building resilience across their areas and in working with local resilience structures.

In establishing these new roles, we will encourage close working and partnership between Strategic Authorities and the Local Resilience Forums within their areas. In July 2024, the government announced a review of national resilience in response to the publication of the Covid Inquiry Module 1 Report^[footnote 44], and this review will also consider recommendations from the Grenfell Tower Inquiry Report^[footnote 45]. The review is ongoing and will inform the development of resilience responsibilities adopted by Strategic Authorities.

Depending on the outcomes of this review, the government may amend the Civil Contingencies Act 2004 to recognise Strategic Authorities as a categorised responder, meaning that they would adopt the duties and responsibilities of a member of the Local Resilience Forum. Further guidance would also be required to help Strategic Authorities undertake these duties.

3.10 Devolution Framework summary table

Key

(**) refers to functions for which funding will be included in Integrated Settlements for Established Mayoral Strategic Authorities

(^) refers to functions which apply to Combined and Combined County Authorities only

| Detail | Foundation | Mayoral | Established |
|--|-------------------|----------------|--------------------|
| Funding and investment | | | |
| Access to a multi-departmental, long-term integrated funding settlement** | | | X |
| Long-term investment fund, with an agreed annual allocation | | X | X |
| Removal of gateway review from investment fund, after Gateway One complete | | | X |
| Ability to introduce mayoral precepting on council tax^ | | X | X |
| Consolidation of local growth and place funding in a single pot** | X | X | X |
| Strategic leadership | | | |
| A statutory duty to produce Local Growth Plans | | X | X |
| Membership of the Council of Nations and Regions | | X | X |
| Membership of the Mayoral Data Council | | X | X |
| Transport and local infrastructure | | | |
| Local Transport Authority and public transport functions, including bus franchising and responsibility for an area-wide Local Transport Plan | X | X | X |
| Simplification and consolidation of local transport funding** | X | X | X |

| Detail | Foundation | Mayoral | Established |
|---|-------------------|----------------|--------------------|
| Removal of certain Secretary of State consents, e.g. on lane rental schemes | | X | X |
| Duty to establish a Key Route Network on the most important local roads^ | | X | X |
| Mayoral Power of Direction over use of constituent authority powers on the Key Route Network^ | | X | X |
| Priority for strategic rail engagement (including mayoral partnerships) with Great British Railways | X | X | X |
| Statutory role in governing, managing, planning, and developing the rail network | | X | X |
| An option for greater control over local rail stations | | X | X |
| A 'right to request' further rail devolution | | | X |
| Priority for support to deliver multi-modal ticketing | | | X |
| A clear, strategic role in the decarbonisation of the local bus fleet | X | X | X |
| Active Travel England support for constituent authority capability^ | X | X | X |
| Formal partnership with National Highways | | X | X |
| Skills and employment support | | | |
| Joint ownership of the Local Skills Improvement Plan model, with Employer Representative Bodies | X | X | X |

| Detail | Foundation | Mayoral | Established |
|---|-------------------|----------------|--------------------|
| Devolution of the core Adult Skills Fund | X | | |
| Devolution of non-apprenticeship adult skills functions through a consolidated skills funding pot** | | X | X |
| Central convening of youth careers provision including greater flexibility for Careers hubs | | X | X |
| A clear role in relation to 16-19 education and training | | X | X |
| Responsibility for developing local Get Britain Working Plans | X | X | X |
| Devolution of supported employment funding** | X | X | X |
| Co-design of future employment support that is additional to core Jobcentre Plus provision | | X | X |
| Delegated delivery or commissioning of employment support that is additional to core Jobcentre Plus provision | | | X |
| Alignment of Jobcentre Plus boundaries with Strategic Authorities | | | X |
| Housing and strategic planning | | | |
| A duty to produce a Spatial Development Strategy | X | X | X |
| Strategic development management powers (once the Spatial Development Strategy is in place) | | X | X |
| Ability to raise a Mayoral Community Infrastructure Levy to fund strategic infrastructure (once | | X | X |

| Detail | Foundation | Mayoral | Established |
|---|-------------------|----------------|--------------------|
| the Spatial Development Strategy is in place) | | | |
| Ability to make Mayoral Development Orders | | X | X |
| Ability to establish Mayoral Development Corporations | | X | X |
| Homes England compulsory purchase powers (held concurrently) | X | X | X |
| Devolution of wider grant funding to support regeneration and housing delivery** | | X | X |
| Ability to set the strategic direction of any future programme to support affordable housing provision in their area | | | X |
| Strategic Place Partnership with Homes England | | X | X |
| Support to establish a public sector land commission | | | X |
| Economic development and regeneration | | | |
| Partnership working with Department for Science, Industry and Technology and UK Research and Innovation to explore opportunities for closer long-term collaboration in strengthening local research and innovation capacity | X | X | X |
| Develop joint innovation action plans with Innovate UK to shape long-term strategies and investments | | X | X |
| Embed UK Research and Innovation lead points of contact for enhanced collaborative working | | X | X |

| Detail | Foundation | Mayoral | Established |
|--|-------------------|----------------|--------------------|
| on innovation with Mayoral Strategic Authorities that are committed to work collaboratively on innovation | | | |
| Responsibility as the accountable body for the delivery of Growth Hubs | X | X | X |
| Devolution of Growth Hubs funding** | | | X |
| A Strategic Partnership with the Department for Business and Trade focused on domestic growth, exports, investment, and delivery of local growth priorities. | | X | X |
| Partnership working with Department for Culture, Media and Sport Arm's Length Bodies to maximise culture, heritage, and sport spending in place | X | X | X |
| Environment and climate change | | | |
| Devolution of retrofit funding this parliament subject to a successful transition period (see 3.7)** | | | X |
| Heat network zoning coordination role | X | X | X |
| Coordinating local energy planning to support development of regional network energy infrastructure | X | X | X |
| Green jobs and skills coordination role | X | X | X |
| A strategic role on net zero in collaboration with government, including on Great British Energy's Local Power Plan and Warm Homes Plan | X | X | X |

| Detail | Foundation | Mayoral | Established |
|---|-------------------|----------------|--------------------|
| Responsibility for coordinating delivery and monitoring of Local Nature Recovery Strategies^ | X | X | X |
| Health, wellbeing and public service reform | | | |
| A bespoke statutory health improvement and health inequalities duty^ | X | X | X |
| Mayors engaged during the Integrated Care Boards chair appointment process | | X | X |
| Mayors as members of local Integrated Care Partnerships, and consideration for position of chair or co-chair | | X | X |
| A role in convening partners and driving cross-cutting public service reform, including looking at areas such as multiple disadvantage | X | X | X |
| Public safety | | | |
| Mayors accountable for the exercise of Police and Crime Commissioner functions where police force and mayoral boundaries align^ | | X | X |
| Mayors accountable for the exercise of Fire and Rescue Authority functions where fire and rescue service and mayoral boundaries align | | X | X |
| A clear and defined role in local resilience, working with the Local Resilience Forum to embed resilience into broader policy and delivery^ | X | X | X |

4. Delivering devolution at every scale

Devolution will put the right powers at the right scale. We cannot deliver the change the public expect, whether more growth, more homes, more joined-up services, or restored trust, without more empowered communities and local government.

As the first step, local institutions in England must have clear goals and the ability to deliver them:

For **local authorities**, that means councils on the road to recovery and reform, convening and marshalling local partners to focus on shaping their places, and preventing crises from emerging through public service reform. This means they will be able to move beyond just managing day by day, picking up the pieces where public services fail and the cost of crisis overwhelms the system. We laid out our plans for recovery in the 2025-26 Local Government Finance Settlement Policy Statement. They will support a foundation of strong community institutions, owning what makes their places great and treated as partners in delivering better outcomes.

- For **Strategic Authorities**, that means institutions empowered with clear access to defined powers, enshrined permanently in law; and full devolution coverage across England, at the right geographies, and focused on growth being felt in every corner of the country. Mayors will be supported and encouraged to collaborate across their regions, like the recent 'Great North' group of Mayors.
- For both local and Strategic Authorities that means a new settlement with constitutional autonomy built in, and where devolution is the default setting.

4.1 Communities

England is made up of thousands of communities – towns, cities and villages – where people look out for one another and feel proud of where they live. But a national politics that hoards power means their interests and values have too often been treated as an afterthought. Policies have been done to communities, rather than for and with them, with one-sized-fits all approaches and complicated funding processes that reflect the silos of Whitehall rather than the needs of communities. This has left people feeling as if their lives, and the places they call home, have slipped out of their control.

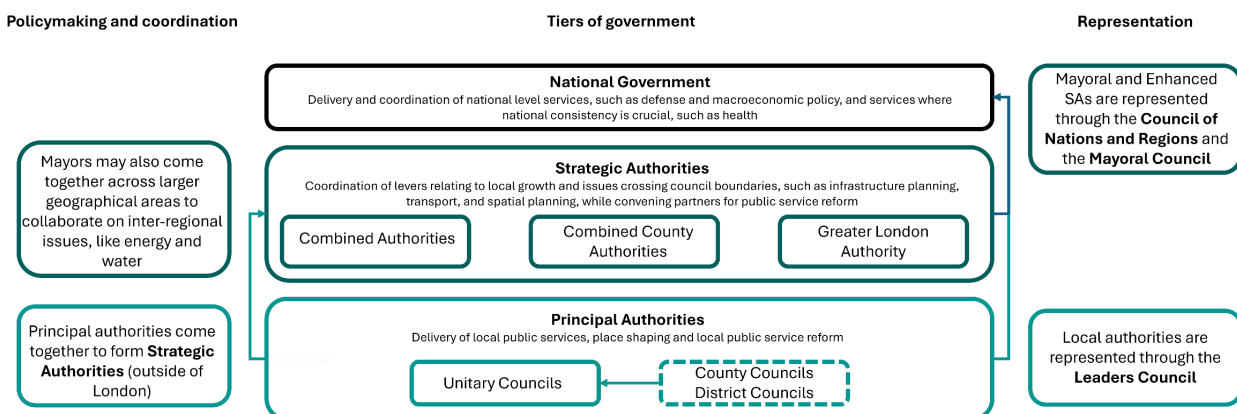
This is partly why local area satisfaction has decreased over the last decade and a growing sense of decline has taken root in our neighbourhoods in recent years. Only 11% of people believe their area has got better to live in

over the last two years, and 29% say that it has got worse^[footnote 46]. This sits alongside a wider feeling of disempowerment and distrust at a local level. Whilst 50% of people say it is important that they feel able to influence decisions affecting their local area, just 23% feel able to do so^[footnote 47].

Communities need power returned back to them. We want to support local people – those with skin in the game – so that they can better affect the decisions impacting their areas. However, we cannot expect anyone to feel empowered when they are living payslip to payslip, or stuck on a waiting list to get the services they need.

That is why the government’s approach to community empowerment will focus on putting people in control of their own lives, alongside devolving power away from Westminster. We will create new opportunities for communities to have a say in the future of their area and play a part in improving it, while acknowledging that this means nothing if people are not supported to live lives where they can contribute to this decision making.

Figure 2: Streamlining government



Therefore, we will introduce new targeted actions and policies in the following areas:

Partnership working with the most deprived communities

The government has retained the Long Term Plan for Towns and will reform it into a new regeneration programme. Learning from the experience of successful regeneration programmes like the New Deal for Communities, the programme will work in partnership with 75 towns across the UK. The programme will build capacity by developing and strengthening the skills, resources, structures and capabilities of individuals and organisations to drive and sustain improvements for local residents. We will ensure that it is shaped and delivered for the long-term by the communities it is intended to benefit.

Protecting cherished community assets and high streets whilst empowering communities with new rights and levers to influence their

neighbourhoods

The loss of shared community forums, places and institutions – whether it be local news outlets, community cafes, youth clubs, pubs, historic buildings, libraries or sport facilities – has eroded a sense of local civic pride and contributed to a feeling of decline in neighbourhoods and high streets. The government will therefore deliver on its manifesto commitment to replace the community ‘Right to Bid’ with a strengthened ‘Right to Buy’ Assets of Community Value, creating a more robust pathway to community asset ownership. We will support community ownership by funding projects through the Community Ownership Fund in 2024/25, allowing communities across the country to purchase cherished assets that are at risk of being lost. And we will seek to support high streets by strengthening Business Improvement Districts which have helped to improve town and city centres across the UK for 20 years, while ensuring they operate to high standards and are accountable to their communities.

We have also implemented new High Street Rental Auction regulations, providing local communities and businesses with a right to rent premises that have long sat vacant, casting a cloud over the local area. The power will help to provide new shops and community spaces, supporting businesses and communities to access the high street and create vibrant, bustling spaces they can be proud of.

Local government plays an essential role in convening local partners around neighbourhoods to ensure that community voices are represented and people have influence over their place and their valued community assets. We want to work with the sector to ensure that the existing structures and mechanisms for community partnership enable them to fulfil this role. We will also work with the town and parish council sector to improve engagement between them and local authorities.

Enhancing local authorities’ powers in their areas

Transferring power away from Westminster means strengthening the ability of Local Authorities to set proper strategic direction to address the challenges facing their areas and respond to the hopes and aspirations of the communities they represent.

To this end, we will strengthen local authorities’ ability to take over the management of vacant residential premises and introduce large selective licensing schemes to improve conditions in the private rental sector, without requiring the Secretary of State’s approval.

The government is also committed to giving local authorities greater control over the location of local establishments to support healthier lifestyles, improved socioeconomic outcomes, and high street vitality. Certain types of premises can exacerbate health and anti-social behaviour challenges. We will explore giving local authorities support and new discretionary tools to

manage their proliferation and limit their access by vulnerable communities. We will also look to complement local authorities' existing powers in relation to gambling outlets to refuse or place conditions on premises licences in line with measures outlined in the gambling white paper published in April 2023. The government's view is that councillors, working with local people, need to be able to tackle and address these priorities.

4.2 Local government

4.2.1 The state of local government

Councils are the foundation of our state – critical to driving growth, delivering and reforming the local public services people rely on, and to our democratic system. Whether in delivering 1.5 million homes, supporting the NHS, or delivering clean energy, this government's agenda relies on putting local authorities back on their feet.

But local government has not been empowered to live up to its potential and people have suffered as a result. Too many decisions, whether powers or funding, are subject to review or veto from central government, and councils have been set against each other in expensive bidding wars. Communities have been denied the chance to have their talent and potential matched by opportunity, and bureaucratic requirements have reduced the impact of funding provided.

The way local government is funded currently is outdated, inefficient, and poor value for money, based on funding formulas that have not been updated in a decade. The Fair Funding Review, launched in 2016, aimed to change this, but was abandoned in 2020. The link between need and funding was broken, and people in the most deprived parts of the country have borne the brunt, with vital services lost and resilience weakened. Coupled with the loss of community assets on many high streets, there can be no doubt that the foundations of many places are much weaker than they needed to be. As the demand for and costs of statutory services have risen and funding has fallen behind, councils have also been forced to focus on an increasingly narrow number of services to support the most vulnerable in our society, at the expense of preventative, neighbourhood and community services – creating a vicious cycle in favour of acute support over preventative action, reducing the scope for local choices.

This poses not just a risk to the viability of local government, but to the democratic link between voters and their councils. This is a poor settlement for individuals, communities and the taxpayer.

The response has been short-term top-ups to funding, and a failing to plan for savings that could be generated by investment in prevention and reform.

Promising approaches, like the Total Place pilots of the late 2000s, that took a cross-service view of public spending in an area, were abandoned wholesale.

No government can repair a decade and a half of loss in a single parliament, but we can begin the work as part of a decade of national renewal. The public are right to demand change. Restoring their trust requires clear lines of accountability and oversight. This does not mean piecemeal micromanagement, or the combative tone that has too often been taken by central government, when the sector has been let down by a few individuals and councils failing to uphold high standards. It means creating empowered local leaders and councils, with a clear national framework for the public to hold them to account for delivering.

Building on this, the government will fundamentally reset the relationship between local and central government, creating a new partnership based on trust that will deliver growth, the services people expect, and restore public trust. As part of this we must ensure the voice of local government is heard at the highest levels of power, which is why the government has established a new Leaders Council, working to complement existing engagement through the Local Government Association and other organisations.

4.2.2 How we will rebuild

Funding reform

In the 2024 Autumn Budget, the government announced £1.3 billion of new grant funding in 2025/26 for local government to deliver core services. As part of this we will introduce a new 'Recovery Grant', worth £600 million, which will increase the efficiency of our funding by targeting money towards areas with greater need and demand for services (we have used deprivation as a proxy for this), and less ability to raise income locally. It will start to correct the inefficiency of the current system to put councils on a more stable footing. Together with income from council tax and locally-retained business rates, this will provide a real-terms increase in total core spending power of around 3.2%. This funding represents an immediate response to the coming year, as part of a recovery phase.

The government is committed to a comprehensive set of reforms to return the sector to a sustainable position. In future, the government will provide multi-year funding settlements, giving Local Authorities the certainty they need to plan ahead, and commission the long-term, cost-effective contracts for vital services. After years of delays to much needed funding reform, we 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. This is about spending taxpayers' money as efficiently as possible – making sure that funding matches the demand for services. But it is also about the impact it will have on real people's lives. We cannot keep operating in a system where key social outcomes – like the number of

children with a child protection plan – are worse in places that are receiving less funding than they need. As part of this, accumulated business rates growth will be subject to periodic redistribution across the country, through a business rates reset.

Enhanced business rate retention arrangements allow Local Authorities, for example those in some Mayoral Combined Authority areas, to retain more locally raised business rates compared to others. Under existing arrangements, some Local Authorities work collaboratively with Mayoral Combined Authorities in their area to ensure a portion of the extra income is directed to the local growth priorities across the wider region. The current patchwork of business rate retention arrangements allows only certain areas to benefit from enhanced retention of growth in business rates. As part of the government's reform of funding for local government, we will consider how a new model of business rate retention could better and more consistently support Strategic Authorities to drive growth.

A meaningful partnership between central and local government

Delivering growth and the services the public expect requires a meaningful partnership between central and local government. We want to fundamentally reset the relationship and create a new partnership, on areas such as:

- **Housing:** Local authorities are critical partners in building the homes we need. The government has already committed to better protect council housing stock through reductions to Right to Buy discounts, consulting on a new long-term social housing rent settlement, and through allowing local authorities to retain 100% of the receipts from sales, to scale-up delivery of much needed social housing.
- **Prevention and reform:** The 2024 Autumn Budget announced that the government will prioritise reforms to enable a more preventative approach to public service delivery, including in those service areas currently overwhelming local authority budgets. In 2025/26, local authorities will receive £233 million of additional funding for homelessness services, and £250 million additional funding for Family Help through the new Children's Social Care Prevention Grant. This will nearly double direct investment in preventative services to over half a billion in 2025/26 and lay the groundwork for fundamental children's social care reform.

The government has allocated £100 million to deliver innovative projects to support the development of new approaches to improving public services, partnering with local leaders and Mayors. As part of this new approach, we will focus on empowering Local Authorities as the convenors of place to bring together public service providers and other stakeholders to improve outcomes for individuals and communities. Councils and Combined Authorities have been essential to the successful place-based reforms and delivery programmes of the past – from Total Place to Northumbria's

‘Liberated Model’, exercised through its Changing Futures programme, to the Greater Manchester Combined Authority’s ‘Project Skyline’. Local government leaders will be treated as leaders of place, convening and marshalling partners across the public and third sectors in their areas to deliver public service reform.

We want to make reform and prevention the default setting in Local Authorities across England, supported by Strategic Authorities. We want to see the cycle of system failure ended, with better aligned public services delivering better outcomes.

Building on the funding for innovative local projects, we will explore opportunities to work with Local and Strategic Authorities to develop locally-led approaches to public service reform, drawing together service providers in their areas to improve outcomes for residents. We will work with the sector to design and implement this agenda.

Ending micromanagement

Councils need to be empowered to take the difficult decisions to drive growth and improve services. The public being able to hold them to account for those decisions also relies on them being taken locally, without micromanagement from central government. Decisions with purely local implications should, by default, be taken locally, within a clear, streamlined national framework setting out the roles and responsibilities of different tiers of government, which makes clear that local leaders’ decision making over local issues is paramount. We will end the ‘parent-child’ dynamic that has characterised the relationship between central and local government in recent years, so that council leaders and executive members are once again able to genuinely shape their places, while frontline councillors are empowered to convene local people to engage in their community as respected leaders. This new relationship will develop over time, but the government is proposing three immediate steps.

First, we will reform the use of funding pots. The last decade has seen local authority funding increasingly allocated through a large number of competitive and ringfenced pots. This has wasted local authorities’ resources at a time of significant financial strain – councils are estimated to have spent up to £73 million on bids for rounds one and two of the Levelling Up Fund, three quarters of which were rejected^[footnote 48].

The government will reduce the number of restrictive grants to local authorities – wherever possible, resource funding for service delivery will be consolidated into the Local Government Finance Settlement. We will also rationalise the number of capital-focused growth funds, moving away from time-consuming competitions and better supporting local leaders to drive growth – including consolidating this funding into Integrated Settlements for Established Mayoral Strategic Authorities where relevant.

Second, as the number of grants to local government have increased, so have the associated reporting requirements, and approaches to evaluation. The Ministry for Housing, Communities and Local Government intends to act to streamline and rationalise these requirements to allow a greater focus on those priority local outcomes aligned with the government's missions, so the public can more easily hold local leaders to account.

Third, we will work with the sector to review requirements for local authorities and Strategic Authorities to seek Secretary of State consents for use of powers and remove these requirements unless absolutely necessary, alongside legislating to make such removal easier in future.

The process for making byelaws is hundreds of years old and outdated for modern government. 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, while the Transport Secretary must sign off when an authority wishes to build a cattle grid or convert a footpath into a cycle lane. This is irrational, inefficient and costly – tying up central government in decisions that should be for local leaders, and disempowering those trying to deliver growth while they wait for Whitehall to process every application and the problems councils are trying to fix get worse.

We believe that local leaders are best placed to understand and respond to these issues. We therefore intend to legislate to remove requirements for Secretary of State consent for local authority making of byelaws wherever possible. Given the complexity of legislation that has built up over many decades and the wide policy scope under consideration, we will accomplish this through a review of such cases. As part of this review, we will also determine whether councils should be able to enforce byelaws via Fixed Penalty Notices rather than through the courts to improve their effectiveness. Strategic Authorities should be able to make byelaws on matters relevant to their functions and responsibilities. We will consult the sector to agree the best approach on how we might accomplish this.

We will also act to give councils stronger tools to improve their housing markets, including removing the requirement to seek approval from the Secretary of State for Housing, Communities, and Local Government for larger selective licensing schemes, so local authorities can take more action to tackle specific and persistent issues in private rented sector properties. Together, this amounts to a rewiring of local government's constitutional status, under the presumption that councils have the knowledge and expertise to govern their places.

4.2.3 Local government reorganisation

There is clearly an appetite for reorganisation in parts of England, but previous governments have in the past often not been brave enough to follow through – we will get on with delivering what areas need.

Strong councils are the building blocks for effective Combined Authorities and Combined County Authorities. We will facilitate a programme of local government reorganisation for two-tier areas and for those 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 services for their residents. Fewer politicians, with the right powers, will streamline local government to focus on delivering for residents. We will deliver this process as quickly as possible, including through legislation where it becomes necessary to ensure progress. Clear leadership locally will be met with an active partner nationally.

We know people value the role of governance at the community scale and that can be a concern when local government is reorganised. We will therefore want to see stronger community arrangements when reorganisation happens in the way councils engage at a neighbourhood or area level. We will also rewire the relationship between town and parish councils and principal Local Authorities, strengthening expectations on engagement and community voice.

Our priorities in reorganisation

We will expect all two tier areas and smaller or failing unitaries to develop proposals for reorganisation. We will take a phased approach to delivery, taking into account where reorganisation can unlock devolution, where areas are keen to proceed at pace or where it can help address wider failings. However, we are clear that reorganisation should not delay devolution and plans for both should be complementary.

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.

We will prioritise the delivery of high quality and sustainable public services to citizens and communities above all other issues. We will sequence these reforms alongside our devolution ambitions for each area. We will expect new councils to take a proactive and innovative approach to neighbourhood involvement and community governance so that citizens are empowered.

All levels of local government have a part to play in bringing improved structures to their area through reorganisation, including by sharing information and working proactively to enable robust and sustainable options to be developed and considered. We expect all councils in an area to work together to develop unitary proposals that are in the best interests of the whole area, rather than developing competing proposals. We will also expect all councils in an area to work with us to bring about these changes as swiftly as possible. We will also consider which governance models

available to local authorities across the sector will best support their decision making.

Supporting places through change

We recognise that reorganisation will create upfront costs and additional pressures for councils alongside their crucial responsibilities to communities, including caring for some of the most vulnerable in society. It is vital that new unitary councils get off to a good start, so we will work closely with local leaders to explore what support they might need to develop robust proposals and implement new structures, including taking decisions to postpone local elections where this will help to smooth the transition process. We will learn from the experience and successes of others who have been through the process.

Next steps on delivering reorganisation

We will write to council leaders as soon as possible to formally invite proposals, setting out information on our criteria for sustainable unitary structures, how and when to submit proposals and how the government intends to respond to proposals. We are clear that reorganisation should not delay devolution so we will work closely with areas on complementary plans and we will deliver an ambitious first wave of reorganisation in this Parliament.

The case for local government reorganisation

The case for local government reorganisation is that there are significant opportunities available to areas from the creation of suitably sized unitary councils responsible for local government services for that area. Unitarisation can cut wasteful duplication of bodies, reduce the number of politicians and reduce fragmentation of public services.

Efficiencies: In 2020 a PwC report, “Evaluating the importance of scale in proposals for local government reorganisation”, for the County Councils Network, estimated that reorganisation of the then 25 two-tier areas to a single unitary structure would have a one-off cost of £400 million, with the potential to realise £2.9 billion over 5 years, with an annual post-implementation net recurring saving of £700 million. The unitary proposals submitted in relation to the most recently established unitary councils identified a range of efficiencies that could be achieved where council services are brought together in one organisation. For North Yorkshire Council, established in April 2023, unitarisation has enabled the council to manage financial pressures through structural changes and service transformation which are expected to achieve more than £40 million in savings by March 2026.

Service transformation: Unitary councils bring lower and upper tier services together, creating opportunities for service transformation which can support

improvements in delivery. For example, bringing supported housing, social care and homelessness together in the same organisation can enable councils to develop preventative and holistic services, focused on the needs of local people and communities. It is also arguably easier for other public service providers to work with one council in an area and to map wider reforms, even where boundaries do not fully align.

Workforce pressures: Local government reorganisation can help ease workforce pressures and local competition for staff, as a reduction in the number of local institutions requires fewer leadership roles.

Local accountability: Unitary councils provide local people with a clearer picture of who is accountable for service delivery and local decisions, requiring fewer councillors and local elections. In Cumbria, unitarisation reduced the number of councillors by two thirds and replaced seven council leaders with two; these simpler structures reduce the considerable demands on all involved, and mean the area now only needs two local elections every four years.

In addition, new unitary councils can enable new and innovative community level and partnership working. There are knock-on benefits for strategic planning decisions and empowered mayoral combined authorities. Longer term, consistent unitary local government will make it easier to deliver other challenging public service reforms.

4.2.4 Audit, Insight and Standards

The vast majority of local elected members maintain high standards and are driven by duty and service. They want to deliver the positive power of public service by maintaining high standards. The public have the right to expect the highest standards from their councils and councillors, both in their conduct and how taxpayer money is spent. Every council must be fit, legal and decent.

We will fundamentally reform the local audit system, rebuilding the vital early warning system to recover a key part of our assurance mechanisms, restore local government standards, and ensure transparency. We will not return to a bloated Audit Commission or allow mission creep to expand the remit of government bodies in the sector. As a first step, we will close the Office for Local Government. It had a vague remit that duplicated functions performed elsewhere and involved data being published without sufficiently clear context, which was then misused without challenge in misleading and politicised ways.

We will transform the audit system to give greater clarity on the purpose of audit and accounts, and ensure they take centre stage in local scrutiny. The government has already taken decisive action to tackle the audit backlog and will now respond to the recommendations of multiple external reviews, including the Redmond and Kingman reviews that have called for much

simpler leadership and regulation of local audit. In line with Sir Tony Redmond's recommendations, we will legislate to radically simplify the system, bringing as many audit functions as possible into one body which will also offer insights drawn from audits. We will shortly engage with the sector, including with key audit stakeholders on how best to move functions into the organisation on audit, subject to legislation.

The Localism Act 2011 established the current standards framework for local government. We believe that the Act did not provide councils with sufficient powers to maintain high standards, and have heard from local leaders who say it is ineffectual, inconsistently applied, and lacking in adequate powers to sanction the small number of members who seriously breach codes of conduct. The electorate has the right to expect that it can trust its locally elected members to act in the best interests of their communities and that those who do not meet the high standards expected of them are held to account.

In response, we will give the relevant authorities appropriate and proportionate means to deal with misconduct effectively and decisively when it does occur. We also want to ensure that victims can feel confident and safe when raising an issue under the code of conduct if it impacts them personally, breaches the code of conduct, or brings the council into disrepute. To this end we will be embedding lessons learnt from the development of the parliamentary Independent Complaints and Grievance Scheme. We will therefore consult on proposals including:

- A mandatory code of conduct – to establish a higher minimum standard of expected behaviours and ensure consistency, reflecting the government's commitment to public service and to updating the 30-year code to cover discrimination, bullying, use of social media, and other issues not featuring in the current minimum requirements.
- A requirement for principal Local Authorities to convene formal Standards Committees – to ensure all Local Authorities have formal, transparent processes to uphold and promote standards.
- A role for a national body to deal with the most serious cases and appeals, as was the case under the former system with the Standards Board for England, subject to discussions with the sector.
- Powers to suspend, including imposing premises and facilities bans – to allow Local Authorities to enforce their own standards. The government believes that councils need the ability to address serious misconduct with powers to suspend councillors for a maximum of six months, with the option to withhold allowances where deemed appropriate.
- Disqualification if subject to suspension more than once – to curb the risk of "repeat offending" and empower councils to signal that poor behaviour will not be tolerated.
- Subject to discussions with the sector we will explore immediate disqualification in certain instances of serious misconduct.

- Interim suspension whilst under investigation – to reassure the public that action is being taken. This could be used in serious cases that may involve protracted investigations or the police, for example alleged fraud or assault.
- Publication of all code breach investigation outcomes – to enhance transparency, giving the public the opportunity to check their council's record on maintaining good conduct.

4.2.5 Local authority members and workforce

Voters elect their councillors to improve their area and solve the problems facing it. But previous Whitehall rules and years of underfunding have harmed councils' capacity to do their job and deliver for their residents, by diminishing the appeal of the sector as a workplace.

It is vitally important that the system works to recruit and retain high performing members and officers. We will continue to work with the sector on support and development for elected members, including addressing barriers to attracting and retaining them. To support this work, the government proposes the following improvements:

- **Workforce development:** The local government workforce is facing widespread capacity challenges, caused by ongoing problems with recruitment and retention. To help start to tackle them, we will establish a local government workforce development group – this will be run in partnership with the sector and will identify practical solutions to help resolve and improve workforce issues and promote the sector as a great place to work, while ensuring the workforce is set-up for the future.
- **Remote attendance:** To encourage a greater diversity of people to stand as councillors and ensure better scrutiny of council decisions, this government is formally seeking views on proposals to enable elected members to remotely attend formal council meetings, the intent being that an elected member who needs to attend a meeting virtually will have the option and flexibility to do so. This reform will also enable sitting councillors who are not able to physically attend meetings on an on-going or temporary basis to represent the communities they serve.
- **Proxy voting:** We are seeking views on enabling elected members to use proxy voting – so that a member of a decision-making body may delegate their voting power to another representative to enable a vote in their absence, such as in cases when they are temporarily unable to participate in meetings due to personal circumstances for a limited period.
- **Address publication requirements:** Attracting high-quality elected officials also depends on making public office safe for prospective candidates. We propose to remove the requirements for a local government member's home address to be published. Currently, councils may consider requests to remove home addresses from published lists but there is inconsistency in how councils choose to apply this provision. Publication of this personal information can risk members or their families

being subject to violence and intimidation. We believe it should be put beyond doubt that councillors and Mayors do not need to declare their home address to the public.

5. Upgrading the systems

Devolution can only restore trust in politics if the public knows what their local leaders are empowered to deliver and are able to hold them to account.

The current system of accountability and scrutiny is guided by the English Devolution Accountability Framework^[footnote 49] and Scrutiny Protocol^[footnote 50], which set out the requirements Strategic Authorities must meet on the use of the public money they receive and how council officers should undertake their duties. This includes having a Local Assurance Framework, maintaining standards in public life and ensuring value for money. Within the governance structures of Strategic Authorities themselves, it is a legal requirement to have an Oversight and Scrutiny Committee and an Audit Committee, and some also hold ‘Mayor’s Question Time’ sessions for the public and media to hold Mayors to account.

But it is right that, alongside our plans for a permanent shift of power from Westminster, there should also be a new system of accountability, as well as comprehensive action to build capacity in the sector. This is not about marking the sector’s homework. However, we will set out and measure progress on the key services and outcomes we expect Strategic Authorities to deliver, to be clearer on priorities and reduce micromanagement – so they can focus on serving, and being held to account by, their residents.

5.1 Improving accountability

5.1.1 Integrated Settlement single accountability framework and outcomes framework

The Integrated Settlements that Established Strategic Authorities are set to receive will be supported by a single streamlined accountability framework, rather than multiple frameworks administered by different departments. This single accountability framework will clarify the roles between the Ministry of Housing, Communities and Local Government ‘system Accounting Officer’, the Accounting Officer of contributing departments, and the Chief Executive of the Mayoral Combined Authority, including interaction with scrutiny and

Managing Public Money guidance. It will be incorporated into the English Devolution Accountability Framework^[footnote 51].

The Integrated Settlement outcomes framework

Established Mayoral Strategic Authorities will be held to account for the outcomes associated with their Integrated Settlement via an outcomes framework aligned to national missions, other national priorities and local economic concerns. The outcomes framework will provide a structured approach to defining, measuring and reporting on performance on Integrated Settlement delivery during the Spending Review period. The outcomes framework will identify the desired outcomes for assessing performance across the policy responsibilities devolved through the Integrated Settlement, as well as the indicators, outputs and targets that will be used to track progress in the Spending Review period.

The primary objective of the outcomes framework^[footnote 52] is to set outcome-based targets that are clear and transparent, so local and central government, as well as the public, know what the Established Mayoral Strategic Authorities are working to deliver with their Integrated Settlement. The outcomes framework will:

- Provide a single, streamlined approach to accountability and reporting to central government.
- Align local priorities and national priorities with Local Growth Plans as the guiding star for investment.
- Become a scalable feature of the accountability landscape as devolution is deepened and widened.
- Monitor activity which can be genuinely influenced within the Integrated Settlements' themes whilst moving away from existing programme and project-specific monitoring of inputs and outputs that central government track.
- Provide sufficient evidence to inform delivery performance within the Spending Review period.

5.1.2 Improving accountability and scrutiny of local public spending

We want to go further to ensure residents can be confident that their Strategic Authority is well-governed and making best use of every pound. Overview and Scrutiny Committees will remain vital elements of the oversight of Strategic Authorities, providing challenge and scrutiny on decision-making. But to go further we will work with the sector to explore:

- A review of the Scrutiny Protocol to ensure that the guidance is reflective of these changes and is driving improvements to the standard of scrutiny in Strategic Authorities as we deepen devolution^[footnote 53].
- How to improve external scrutiny of value for money on local public spending, including exploring a Local Public Accounts Committee model

alongside reforms to local audit where we will review how the audit system supports and provides external assurance.

- How to ensure the oversight and transparency of decision making and activity conducted by the bodies that Strategic Authorities establish.
- How to clarify lines of accountability, including through creating a local single point of accountability for value for money, exploring models such as Local Accounting Officers to enhance the accountability of Strategic Authorities, or improved roles and responsibilities and further statutory duties and functions to deliver.
- Ensuring the system of stewardship, as it applies to Strategic Authorities, is operating as effectively as it can, including the case for setting up an annual conversation with each area to allow a clearer understanding of the connections between different funding streams and local priorities.

Local press and media play a crucial role ensuring decision making at local level is accountable to the people they serve and not just to national government. The sustainability of local journalism is an area of particular concern for this government. Our vision is a thriving sector that can continue to play an invaluable role by reporting on the issues that matter to communities, helping counter disinformation locally by being a source of trustworthy information, and keeping communities informed about local issues and decision making. The Secretary of State for Culture, Media and Sport will shortly develop a local media strategy. As part of that strategy, we will explore whether there is more that local authorities can do to support the vital role that local media plays, for example through increased openness in providing local journalists with access to information.

5.2 Building capacity

Strategic and local authorities need support to build capacity in key areas, while new Strategic Authorities, and those exploring new devolution arrangements, will be supported to succeed.

5.2.1 Capacity and sector representation

Our support offer will help new and established Strategic Authorities deliver for their areas. We will work across government to bring this together and provide a comprehensive offer, including:

- **Capacity funding:** The government will work with local authorities and Strategic Authorities to consider the best way to provide resource funding to Strategic Authorities such as via the Local Government Finance Settlement. This will be guided by the principle that there is a consistent approach to the powers and responsibilities of Strategic Authorities, in line with the Devolution Framework. Where a Strategic Authority takes on

powers which are currently funded outside the Local Government Finance Settlement or the integrated settlements, such as Mayoral Capacity Funding, MHCLG will work with the relevant department or organisation to explore funding this through these routes. Subject to Spending Review decisions, new Strategic Authorities will continue to receive Mayoral Capacity Funding to kickstart their organisations and we will also review how Mayoral Capacity Funding is calculated and ensure any changes are consistent with the Devolution Framework.

- **Secondments:** We will introduce a secondment scheme between central government and Strategic Authorities, which will include facilitating the placement of civil servants in Strategic Authority officer roles, including senior positions.
- **Boosting Mayoral and officer capacity to deliver** through a capacity building offer to better support strategic leadership, peer-to-peer support and sharing best practice on innovation – working with Mayoral Combined Authorities to ensure that it is properly targeted and aligns with existing initiatives. We will join up with others, and learn from them on this, where it makes sense to do so. Initiatives such as Bloomberg Philanthropies' Government Innovation program provide great examples of how this has been done successfully, where support has been offered to build local capacity for innovation, data use and place-based leadership. The government will work alongside Bloomberg Philanthropies and others to build a capacity support offer that will help our local leaders deliver results.

We will also work to ensure sector representation. Through the UK Mayors Network, Strategic Authorities already work together to provide a cohesive voice to the government, by providing an important coordinating function between mayoralities. As we further extend devolution across the country, it is key that the sector continues to have a strong representative function. We will work with these bodies as well as the Local Government Association and others.

Our ambition to place the right powers in the right places will require working across regions where a larger geographic scale is needed to coordinate on strategic issues. This work has been undertaken to date by pan-regional partnerships, which have provided areas of strong leadership, focus and drive.

However, as an increasing part of England is represented through Mayors and Combined Authorities, it is right for those elected representatives to lead regional collaboration. Therefore, moving forward, the government intends to support Mayors in collaborating at pan-regional level and creating convening bodies whose purpose, priorities and membership are decided at a regional level, and working with existing regional organisations such as Sub-National Transport bodies. The government will support mayoral-led partnerships, such as the 'Great North' partnership of Northern Mayors, to convene regional public and private sector partners to promote a region

internationally, develop investable propositions in key sectors and align trade, investment, major infrastructure and land use issues. Such bodies could also coordinate major cultural and sporting activities, recognising the opportunity to scale up across wider areas.

5.2.2 Sector improvements

The public have the right to expect that Strategic Authorities have access to the expertise they need, that they work with business, and that Mayors are working full time to deliver for them.

Strengthen leadership

Strategic Authorities will need a leadership team who can drive policy forward across the responsibilities of the Authority and represent it externally. In Mayoral Strategic Authorities there will be critical new functions to undertake, including Local Growth Plans and Spatial Development Strategies, representation on local and national bodies, and joint working with national and local partners. It is not realistic to expect a Mayor to do all of this. The Mayor of London's Deputy Mayors is one model for how work can be delegated successfully. In many Combined Authorities, board members have taken on portfolios to help drive the authority's agenda, and the government will explore how to better recognise their contribution and leadership.

In addition, the government will legislate so that 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. If they choose to appoint them, Mayors will determine the portfolios of the Commissioners that are right for their authorities. In certain circumstances, the government envisages that Mayors may be able to delegate functions exercisable by the mayor to a Commissioner. These do not replace the approach taken by many Combined Authorities to allocate political lead portfolios to members of the Strategic Authority, usually leaders of constituent councils, but are intended to complement the approach with additional capacity or specialisms.

Where a Mayor is the Police, Fire and Crime Commissioner they will continue to be able to appoint a Deputy Mayor for Policing, Fire and Crime to provide leadership to the 'blue lights' services and build effective co-working with local authorities and probation services to take back our streets.

Working in partnership with business

Over the past year, the integration of functions formerly exercised by Local Enterprise Partnerships into local authorities and Combined Authorities has advanced significantly. Many Combined Authorities now host Business

Boards, putting the voice of local business at the heart of local decision making. For example, in South Yorkshire, the Mayor's Advisory Business Board brings together Chambers of Commerce, trade unions and small and large businesses in order to shape joint thinking on the region's economic future. We will continue to work with Strategic Authorities to ensure that business voice continues to play an important role.

Letting Mayors focus wholly on their region

The post of Mayor is a significant role at the forefront of delivering change. It demands the full attention of any post holder. In that context, the government will introduce proposals limiting individuals from holding the office of Member of Parliament and Mayor simultaneously, as is already the case for Mayors who are the Police and Crime Commissioner for their area.

6. Delivering our plans

Delivering the change of this permanent shift of power needs to start now. So we are setting out how we will deliver, and how we will engage with local leaders to ensure they can deliver what the country needs.

6.1 Implementing the agreed devolution deals and Devolution Priority Programme

Since July, devolution agreements for regional Mayors have been finalised with Greater Lincolnshire and with Hull & East Yorkshire. We have agreed to establish Combined County Authorities in both Devon & Torbay and Lancashire, and are progressing four foundation non-mayoral Single Local Authority devolution agreements with Cornwall Council, Buckinghamshire Council, Warwickshire County Council, and Surrey County Council, subject to further statutory tests being met.

The new Combined County Authorities in Devon & Torbay and Lancashire will receive powers to improve the integration of local transport and control of local transport functions and the ability to exercise compulsory purchase powers to help drive regeneration. They will also receive devolved adult skills funding from academic year 2026/2027.

Mayors will be elected in Greater Lincolnshire and Hull & East Yorkshire – the last part of Yorkshire to be covered by a devolution deal – in May 2025. In addition to control over transport and skills, Greater Lincolnshire and Hull and East Yorkshire will receive significant investment to shape the future of

their area - including mayoral investment funds, mayoral capacity funding and capital funding for building new homes and to drive place-based economic regeneration.

With this in mind, the Deputy Prime Minister invited places without devolution agreements to come forward with proposals for their areas in July 2024, with the process closing in September. There was a very positive response from across England, which gives an initial indication of where local consensus is growing around preferred geographies. As we progress to the next stage we intend to group areas at similar stages of progress, prioritising those minded to work towards mayoral models of devolution.

We will invite a number of places to join our Devolution Priority Programme. This will be for certain places that are able to come together under sensible geographies which meet the criteria, and where they are ready to achieve mayoral devolution at pace. This programme will aim to deliver institutions and have Mayors elected in the May 2026 elections, and provide certain places with the full backing of government to deliver to these ambitious timescales. Places will be able to further strengthen their voices and agency in deciding what is right for their areas, including accessing the new powers in our revised Devolution Framework and ultimately taking their seat at the Council of the Nations and Regions.

The government will announce the areas included in the Devolution Priority Programme in due course.

6.2 Upgrading the powers of Mayors

We have already announced at the 2024 Autumn Budget that Mayors in West Yorkshire, the North East, Liverpool City Region, and South Yorkshire will join those in Greater Manchester and the West Midlands in being granted a full Integrated Settlement from next year.

We will work with these areas to ensure they can access the non-statutory elements of the new Devolution Framework as soon as possible, and to support them to be ready for the passage of the additional statutory powers into law. We will also engage with other Mayoral Strategic Authorities looking to demonstrate they qualify for 'Established Mayoral' status to help them demonstrate they are ready. We have also committed to update the Devolution Framework over time. We will also consider proposals raised with us at the Mayoral Council from existing and new Mayoral Strategic Authorities ahead of the Devolution Bill getting Royal Assent.

We will encourage and facilitate Strategic Authorities working together with Arm's Length Bodies, third party providers and government departments where necessary in the use of their Devolution Framework functions.

6.3 Delivering the English Devolution Bill

We will bring forward an English Devolution Bill. The Bill will deliver the government's manifesto commitment and vision set out in this White Paper, by transferring power out of Westminster to those who know their areas best. The Bill will provide local leaders the power to take back control, recognising the vital role local leaders play in our mission to drive economic growth. It will also enable our towns and cities to thrive by strengthening mayoral powers, giving local leaders the tools to kickstart their economies, and communities the power to transform their neighbourhoods and high streets. It will do this by:

- **Enshrining the new ambitious Devolution Framework in statute**, giving local leaders control over new levers of growth. This will include enhanced powers over strategic planning, local transport networks, skills and employment support, enabling them to create jobs and improve living standards.
- **Moving to systematic devolution**, by making it easier to grant new powers. The government will be able to add functions to the statutory framework by statutory instrument following consultation with Mayoral Strategic Authorities. Established Mayoral Strategic Authorities will also be able to make formal proposals on an annual basis for functions to be added to which the government is required to respond.
- **Providing devolved powers more easily and quickly** through establishing a simpler process for creating new Combined and Combined County Authorities to ensure that every part of England can rapidly benefit from devolution.
- **Improving and unlocking local decision-making** through more effective governance arrangements, ensuring Mayors and Combined Authorities can deliver for their areas.
- **Empowering communities** to revamp high streets and end the blight of empty premises with a strong new 'Right to Buy' for valued community assets.

6.4 Engaging with the sector on detail of our reforms

We will work with key stakeholders on next steps.

We will work with Mayors to:

1. **Identify a set of jointly agreed shared priorities**, which will guide action and collaboration in delivering their statutory requirement to develop Local Growth Plans.

2. **Establish the Mayoral Data Council**, bringing together data leads from across central and local government, to review and implement the data partnership principles.
3. **Set up a new working group with the Greater London Authority** to compare the powers and policy approaches of other global city authorities

We will target engagement with Mayors and Strategic Authorities to shape how we deliver our reforms on:

1. **New freedoms for local and strategic authorities**, on removing the requirements for Secretary of State consent they are required to seek on use of their powers and byelaws.
2. **The areas of competence for Strategic Authorities** and how these are supported by the powers to deliver against them.
3. **How best to reflect devolution into our policymaking**, where these are appropriate for local delivery and in their areas of competency. This includes feeding back proposals, developing our ambition for public sector boundary realignment, and how we can ensure Non-Departmental Public Bodies and Arm's Length Bodies build in Local Growth Plans and Spatial Development Strategies to their work.
4. **The future of the Scrutiny Protocol** to continue to improve the standards of scrutiny locally.
5. **How to deliver external scrutiny of value for money of local public spending**, particularly where freedoms and flexibilities of the Integrated Settlement are being utilised. The wider reform of audit will include consideration of how to support and provide external assurance on this.
6. **Considering a single point of accountability for value for money**, exploring Local Accounting Officers and Local Public Accounts Committees models to enhance the accountability of Strategic Authorities.
7. **Considering how to ensure transparency and oversight of decision-making and activity conducted by the bodies that Strategic Authorities establish.**
8. **Boosting capacity support for institutions**, looking at what would best support them.
9. **Delivering data reform**, developing a comprehensive vision for local government data.
10. **Effective voting arrangements for strategic planning.**

Work with local authorities and the wider local government sector to:

1. Identify where we can provide more **freedoms for local authorities to use powers** without central approval.
2. Develop proposals to improve **support and development for councillors**, as well as addressing barriers to attracting and retaining elected members.
3. Consult on **local government standards**.

4. Set out our vision for radically simplifying the **local audit** system, including our intention to establish a new body for local audit. We will engage with key stakeholders on a separate document, which will set out our vision in more detail.
 5. Establish a **local government workforce development group**, run in partnership with the sector, to identify practical solutions to workforce recruitment and retention.
 6. Work with individual areas on **local government reorganisation**, inviting proposals from all remaining two-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 will facilitate delivery of an ambitious first wave of reorganisation in this Parliament.
 7. Develop further proposals for **public service reform and prevention**, alongside place-based leadership models.
 8. **The areas of competence for Strategic Authorities** and how these are supported by the powers to deliver against them.
 9. Confirm **effective strategic planning voting arrangements** outside of Strategic Authorities.
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