

**Meeting:** Cabinet

**Date:** 9<sup>th</sup> January 2025

**Classification:** Part 1

**Key Decision:** Yes

**Title of Report:** **Progressing Devolution in Essex through the Government's Devolution Priority Programme**

**Executive Director:** Claire Shuter, Executive Director for Strategy and Change

**Report Author:** Nicola Spencer, Senior Policy Advisor & Suzanne Newman, Interim Director of Policy & Customer Experience

**Executive Councillor:** Cllr Daniel Cowan, Leader of the Council

## **1. Executive Summary**

- 1.1. The English Devolution White Paper was published on 16 December 2024 and includes wide ranging changes to the framework of local government across England, including devolution from central government to strategic authorities and local government reorganisation.
- 1.2. This report summarises proposals contained in the White Paper; the timeframe for decision making; reviews options available to the Southend-on-Sea City Council (the Council); and summarises impact in terms of policy.
- 1.3. It seeks endorsement for taking the initial steps needed in response to the proposals set out in the White Paper and the invitation from the Minister of State for Local Government and English Devolution to all two-tier areas and smaller unitary councils to submit a letter from the Leader of the Council, alongside Essex and Thurrock Councils, to indicate appetite for Southend's inclusion in the Government's Devolution Priority Programme, an accelerated path for certain areas that are able to work in partnership to create strategic authorities and facilitate the election of mayors by May 2026.

## **2. Recommendations**

**It is recommended that the Cabinet:**

- 2.1. Agree to submit a letter to the Government on 10 January 2025 that:

- 2.1.1. Requests that the Council (alongside Essex County Council and Thurrock Council) be part of the Government's Priority Programme for Devolution; and
  - 2.1.2. Sets out the Council's commitment, working with partners, to develop a proposal for local government reorganisation for submission to Government as an interim proposal in March 2025 and a full proposal in Autumn 2025.
- 2.2. The Leader of the Council determine the content of the final letter to Government.
- 2.3. Endorse the Leader of the Council, in consultation with the Chief Executive, Executive Director of Finance and Resources, and Director of Law and Governance, to undertake the initial phase of work needed to comply with the Government's approach and 2025 timetable.

### **3. Background**

- 3.1. The English Devolution White Paper (see **Appendix 1**) was published on 16 December 2024 and sets out the Government's plans for English devolution and local government reform. Key proposals include expanding mayoral devolution across England, simplifying the local government funding landscape, and streamlining local government structures by creating larger, more efficient unitary councils in order to "fill in" the devolution coverage map.
- 3.2. The White Paper introduces a new statutory framework for devolving powers to Strategic Authorities - a new statutory entity - with powers automatically devolved according to an authority's governance arrangements. Less granular than the previous Government's framework, and therefore offering less scope for tailored, bespoke devolution deals, it offers instead "devolution by default", with the powers and funding described in the Framework available on a statutory basis to each type of authority described.
- 3.3. A set of criteria and principles is contained, based on geography and governance structure, which the Government will consider when evaluating devolution proposals and agreeing the "sensible geographies" on which devolution proposals should be based.
- 3.4. In conjunction with the Government's Plan for Change, the White Paper clarifies devolution's purpose in delivering the five national missions. The Economic Growth mission sets out the legislative framework for local places to seek a devolution deal that would enable greater local control over a range of powers and funding currently held by central Government, with "Established", or mature, Mayoral Strategic Authorities to 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.
- 3.5. Local government reorganisation is positioned as central to the government's intention of achieving universal coverage in England of

Strategic Authorities and therefore fundamental to achieving the national missions.

- 3.6. The Minister of State for Local Government and English Devolution wrote to all Leaders of all two-tier councils and neighbouring unitary authorities (see **Appendix 2**) inviting submission of a letter from the Leader of the Council, alongside Essex and Thurrock Councils, to indicate appetite for Southend's inclusion in the Government's Devolution Priority Programme.

### **Strategic Authorities**

- 3.7. Central to the devolution agenda is the creation in law of the concept of a 'Strategic Authority' with three new defined statuses – Foundation Authorities, Mayoral Authorities and Established Mayoral Authorities. Strategic Authorities will be new legal entities with a population of 1.5 million people or above, and will hold varying degrees of power depending on their maturity and whether they have a mayor.
- 3.8. The White Paper sets out that in order to achieve full coverage, a "ministerial directive" has been introduced which could be used to compel areas to establish strategic authorities if they are unable to agree – or to prevent small devolution 'islands' being left out of the process.
- 3.9. Strategic Authorities will have a defined list of areas of competence. They will also have a mandate to act strategically to drive growth as well as support the shaping of public services where strategic co-ordination adds value. The proposed areas of competence include:
- transport and local infrastructure
  - skills and employment support
  - housing and strategic planning
  - economic development and regeneration
  - environment and climate change
  - health, wellbeing and public service reform
  - public safety

### **Rebuilding local government**

- 3.10. Alongside devolution, the Government intends to facilitate 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. All councils in an area are expected to work together to develop unitary proposals that are in the best interest of the area as a whole and there is an expectation that new unitary authorities will usually have a population of 500,000 or more. The Minister of State for Local Government and English Devolution has indicated that he is prepared to be flexible about the minimum population size for new unitary councils, as their geography and scale must be based on "sensible geographies" - functional economic areas where there is a tangible local identity.

- 3.11. The White Paper sets out the government's intention to deliver local government reorganisation 'as quickly as possible, including through legislation when it becomes necessary to ensure progress'. This means that proposals for local government reorganisation will be required from 2 tier areas and their neighbouring authorities regardless of whether they are part of the devolution priority programme, however the timelines will differ depending on priority programme status.
- 3.12. The government expects all councils in an area to work together to develop local government reorganisation proposals that are in the best interest of the whole area, and it promises to work closely with local leaders, in recognition that this will create upfront costs for councils, to explore what support they might need to develop robust proposals and implement new structures.
- 3.13. A key element of support on offer from the Minister of State for Local Government and English Devolution regards the option to postpone local elections in May 2025 to smooth the transition to new unitary structures in those areas where a programme of reorganisation would be necessary to meet the new criteria for creating strategic authorities. Whilst this Council does not have elections planned for 2025, both Essex County Council and Thurrock Council do, and so we must work to the same timetable.

#### **4. Timeframe and delivery**

- 4.1. The Government will establish a Devolution Priority Programme which will be for places able to come together under sensible geographies which meet the criteria and where they are ready to achieve mayoral devolution at pace.
- 4.2. Local authorities were invited to express interest in joining the Priority Programme in September 2024 and the Leaders of Southend-on-Sea City, Council Thurrock Council and Essex County Council, supported by most of the district council leaders and the Police, Fire and Crime Commissioner, wrote to the Secretary of State asking to be considered. The Priority Programme will aim to deliver institutions and have mayors elected in May 2026.
- 4.3. The government's view is that reorganisation should not delay plans for devolution and proposals should complement plans for the devolved authorities. The Government expects to deliver new unitary authorities in April 2027 and April 2028.
- 4.4. **January 2025:** The Council, in partnership with Thurrock Council and Essex County Council, is required to notify Ministry of Housing, Communities and Local Government of the collective desire to join the Devolution Priority Programme and undertake local government reorganisation across the Essex area on or before Friday 10 January 2025.
- 4.5. **March 2025:** The Council, in partnership with Thurrock Council and Essex County Council, will need to submit interim reorganisation proposals.

- 4.6. **Autumn 2025:** The Council, in partnership with Thurrock Council and Essex County Council will need to submit final reorganisation proposals.

### **Next Steps**

- 4.7. The local authority Leaders and Chief Executives will meet on a regular basis to oversee the work programme and key officers in each upper tier local authority have been identified to work together, develop the proposals and deliver a comprehensive engagement programme.
- 4.8. Briefings and reports will be presented to Members on a regular basis throughout the process to shape the development of proposals in the best interests of Essex's residents and businesses.
- 4.9. Substantive proposals for local government reorganisation will be brought back to Council for discussion.

## **5. Reasons for Decisions**

- 5.1. The Ministry of Housing, Communities and Local Government has requested a joint response from all upper-tier Leaders within a devolution geography indicating appetite to join the Devolution Priority Programme. This response must be received by 10 January 2025.

## **6. Options**

- 6.1. Option 1 – Endorse the submission of a letter to the Minister of State for Local Government and English Devolution, in partnership with Thurrock Council and Essex County Council, by 10<sup>th</sup> January 2025 advising that the Council wishes to join the Devolution Priority Programme along with Thurrock Council and Essex County Council and undertake work to develop a joint interim local government reorganisation proposal by March 2025.
- 6.2. Option 2 – Take no action at present and not be part of the Priority Programme. Devolution proposals could still be progressed outside of the Priority Programme; however, as the Council is part of the Greater Essex devolution proposal there is a need to align with Essex County Council and Thurrock Council. Government acknowledges that there will be areas that will be unable to make quick progress, and therefore will legislate for a ministerial directive to allow for the creation of Strategic Authorities in these areas after due time has been allowed and all other routes exhausted.

## **7. Financial Implications**

- 7.1. At this stage there are no direct financial implications for the Council in respect of submitting a letter of our request to participate early in the Devolution and Local Government Reorganisation programme to Government. However, if the Council is accepted as part of the Government's Devolution Priority Programme, then there will be significant short, medium and long-term financial implications that will impact the Council. Even if we are not accepted at this stage the eventuality is that the

Council will need to be part of the Government's drive for devolution and Local Government Reorganisation.

- 7.2. The financial implications arising will depend upon the eventual form that any future local government reorganisation and combined authority might be for this Council. At this stage it is not possible to quantify the costs and benefits to the Council but the financial implications will be far reaching over a period of time. Areas that will need detailed research and financial assessment/modelling may include any short-term capacity funding, a sizeable long-term investment fund and potential future integrated settlement; existing funding streams being consolidated; potential freedoms and flexibilities on existing financial arrangements; and the costs associated with local government reorganisation and setting up a new strategic authority.
- 7.3. As matters become clearer on timescales and the inevitable detailed work that will be undertaken by officers within and across Essex, a fuller understanding of the financial implications will be known. These will be reported to Members for decision at the appropriate time as the programme of reform develops.

## **8. Legal Implications**

- 8.1. There are no particular legal implications arising from the recommendations of this report. The Council has already, as set out in the report, expressed a commitment to participating in the Devolution Priority programme. The report asks for a decision to enable the Council to comply with the Government's request, for a written commitment by 10<sup>th</sup> January 2025.
- 8.2. Proposals in respect of local government reorganisation will be developed in line with instructions to be issued by Government in January 2025. Such proposals will be the subject of consideration by legal services, and any detailed legal implications of those proposals will be reported to a future meeting of Members.
- 8.3. It is considered the impact of the decision on all wards in the borough makes the decision a key decision that under the Council's constitution is reserved to Cabinet for determination. The short period given by the Government for a response means that the Council has not been able to include the decision in the Forward Plan. The decision will therefore be taken in accordance with Part 4b, Rule 15 of the Constitution.

## **9. Policy Context**

- 9.1. The [English Devolution White Paper](#) and [Plan for Change](#) together set out the national policy context for the devolution and reorganisation agenda. Devolution (and the local government reorganisation activity required to unlock it) is a pillar of the Government's growth mission and seen as central to delivering regional growth, alongside public service reform and investment.

- 9.2. The English Devolution Bill will deliver the ambitions set out in the English Devolution White Paper, enshrining many of the reforms in law and putting the Government's devolution agenda on a statutory footing. The Government currently advises that the Bill will be brought forward when Parliamentary time allows.
- 9.3. The powers and funding available via the Devolution Framework will have significant implications for a number of key local policy areas. It outlines significant devolution of transport powers, including bus franchising, enhanced rail control, and greater influence over local infrastructure planning; for Mayoral Strategic Authorities to have a stronger role in shaping local skills provision, aligning training programmes with local and area needs, and supporting local businesses; commits to a universal system of strategic planning, with Mayors playing a central role in developing Spatial Development Strategies and influencing planning applications of strategic importance; for Mayors to have greater control over housing delivery, including devolved funding and strategic influence over Homes England's activities; and aims to align mayoral geographies with police and fire service boundaries, giving Mayors greater responsibility for public safety in their regions.
- 9.4. The English Devolution Bill will also introduce a statutory requirement for all Mayoral Strategic Authorities to produce a Local Growth Plan, outlining a long-term vision and roadmap for economic growth in their region.

## **10. Carbon Impact**

- 10.1. No specific implications.

## **11. Equalities**

- 11.1. There are no Equalities implications associated with the submission of a letter the Minister of State for Local Government and English Devolution by 10<sup>th</sup> January 2025 to indicating our desire to join the Devolution Priority Programme.
- 11.2. If the next stage of the process – the development of an interim devolution and reorganisation proposal and public consultation strategy – is agreed for submission in March 2025, then the equalities implications of these will be considered further through full Equalities Analyses on both during the development stage and used to inform the formal decision to be made on whether to submit full plans by Autumn 2025.

## **12. Consultation**

- 12.1. As before, a public consultation will need to be undertaken as part of the statutory process for creating a strategic authority.
- 12.2. For those councils participating in the Devolution Priority Programme, the consultation will be centrally led by Government, with MHCLG drafting, publishing and running the consultation process, and assessing the

consultation responses. The Secretary of State will, at the close, take a view on whether the statutory tests have been met to proceed with the secondary legislation necessary for establishment of a strategic authority.

- 12.3. This will minimise some of the burdens on this Council but will still require our active participation to ensure that the needs and priorities of our Southend are accurately reflected and support in advertising it to residents and local stakeholders, as MHCLG has requested our close collaboration to develop a consultation strategy that is effective and works for our communities.
- 12.4. The current timetable suggests that our public consultation could be undertaken in March 2025.

### 13. Appendices

- 13.1. **Appendix 1** – English Devolution White Paper (also available [here](#))
- 13.2. **Appendix 2** – Letter from the Minister of State for Local Government and English Devolution, 16 December 2024

### 14. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
Executive Director(s)	Claire Shuter	23.12.24
S151 Officer	Joe Chesterton	30.12.24
Deputy Monitoring Officer	Jayne Middleton	23.12.24
Relevant Cabinet Member(s)	Councillor Daniel Cowan	23.12.24