

<b>REPORT TO:</b>		Council	
<b>DATE:</b>		16 January 2025	
<b>PORTFOLIO:</b>		<b>Councillor Munsif Dad BEM JP - Leader of the Council</b>	
<b>REPORT AUTHOR:</b>		Stuart Sambrook (Policy Manager)	
<b>TITLE OF REPORT:</b>		English Devolution White Paper Update and Indicative Council Position	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>No</b>	Not applicable	
<b>KEY DECISION:</b>	<b>No</b>	If yes, date of publication:	

## 1. Purpose of Report

- 1.1 To provide Council with a summary of the English Devolution White Paper (EDWP) published on the 16<sup>th</sup> December 2024.
- 1.2 To provide an indicative Council Position to the Government's consultation.

## 2. Recommendations

That Council:

- 2.1 Notes the content of the report;
- 2.2 Supports the process of devolving powers from Whitehall to Local Government;
- 2.3 Supports the creation of a Pennine Lancashire Unitary Authority (which includes (Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley & Rossendale);
- 2.4 Supports the Council's inclusion in the Devolution Priority Programme;
- 2.5 Supports a proposal for Hyndburn to be the administrative centre of the unitary authority due to its symbolic and central location and good infrastructure.

### **3. Summary**

- 3.1 The Government's intention is that Local Government reorganisation will take place across England. All two-tier areas, including Lancashire, are to be replaced by unitary authorities by either April 2027 or April 2028.
- 3.2 The Government expect new unitary authorities to cover population sizes of at least 500,000. No upper limit has been set. Populations of under 500,000 will be considered under specific circumstances. 500,000 has been set as the Government feels this is the minimum population required to achieve efficiencies, withstand financial shocks and provide quality of service.
- 3.3 There are two "paths" to reorganisation, either through the Devolution Priority Programme (DPP), which is fast track approach and aims to have new local government structure in place by April 2027. Or, the non DPP areas (areas not on the devolution priority programmes) will be expected to have new local government structures by April 2028.
- 3.4 Councils (upper tier and unitary only) who want to take part in the (DPP must have confirmed to government by the 10th January.
- 3.5 By the end of January, we should know whether or not Lancashire is on the DPP.
- 3.6 Mayoral elections will take place in 2026 (DPP areas) and 2027 (non DPP areas).
- 3.7 The Government expects all Councils in an affected area to work together to submit one proposal for reorganisation. However, they understand that this may not be possible and will consider more than one proposal.
- 3.8 A formal invitation to submit reorganisation proposals will be issued to authorities in January.
- 3.9 Initial proposals for reorganisation must be submitted to the Government by March 2025.
- 3.10 Final proposals must be submitted by May 2025 (for those on the DPP) and Autumn 2025 (for those not on the DPP).
- 3.11 The Government will be responsible for public consultation on the proposals. However, they emphasised that this will be consultation and not a referendum.
- 3.12 The Government will accept requests to cancel 2025 local elections from areas affected. Councils wishing to cancel their election must notify the Government by 10th January. There are no local elections scheduled in Hyndburn this year, however, Lancashire County Council elections are due in May 2025.
- 3.14 Electoral wards will change under the reorganisation and the Boundary Commission will work with councils on this. Parish Councils may have a role in reorganisation, although we do not yet know what this will look like.

### **4. Reasons for Recommendations and Background**

#### **The English Devolution White Paper**

- 4.1 On 16 December 2024 the Government published the English Devolution White Paper (EDWP) setting out a programme of devolution and Local Government reorganisation across England.

4.2 The ministerial letter accompanying the White Paper invites upper tier local authorities to work together in their area to develop combined authority proposals in line with the criteria set out in the White Paper and to submit those proposals to the Government for consideration by 10 January 2025. For areas which cannot reach agreement on a proposal the White Paper explains that the Government will bring forward legislation to establish strategic authorities at a later stage.

4.3 The Government has invited all two-tier areas to let them know if they have any proposals that they wish to bring forward. The Government wants every council in England to be able to secure devolution that works for them, their local economies, and their residents. However, the White Paper does not specify how boundaries will be drawn. Rather, it emphasises creating large unitary councils with a population of more than 500k to be financially sustainable. In Lancashire, this would mean a move to two or three new authorities

4.4 The White Paper makes four fundamental changes to earlier approaches to devolution:

- Introduction of Mayoral Combined Authorities to all areas of England and associated move to unitary government replacing two-tier local government where it exists.
- Clarity about the powers available and the conditions for accessing them replaces an approach based on negotiation.
- Clarity about the size of authorities (unitary councils at least 500k population and Mayoral Combined Authorities at least 1.5m population)
- Clarity about the role of a mayor in relation to current local government responsibilities for strategic planning and housing and, in time, for wider public services including Police, Fire and Rescue, Probation, skills and employment support, environment and climate change, business support, health and health inequalities.

4.5 The Government's direction of travel is towards unitary status for two-tier areas and its expectation is that all two-tier areas will develop proposals for reorganisation. The White Paper identifies proposals on devolution and discusses ways the Government could streamline governance, cut costs, and empower regions by the creation of new unitary authorities, replacing the two-tier system of district and county councils. This two-tier system has already been replaced in many parts of the country, but remains in place within most of Lancashire. The White Paper says that any new unitary councils must:

- be the right size to achieve efficiencies, improve capacity and withstand financial shocks; and
- that all councils in an area are to work together to develop unitary proposals that are in the best interests of the whole area, rather than developing competing proposals.

*(All Council's will be receiving a letter by the end of January identifying providing more information on this criteria as part of a formal invitation to submit reorganisation proposals)*

- 4.6 The Government will extend devolution to cover all of England, with new legislation becoming law through an English Devolution Bill later this year. The Government will legislate to require devolution in areas that are reluctant to accept it, expecting all remaining two-tier areas (and smaller or failing unitary Councils) to develop proposals for reorganisation, to unlock devolution.
- 4.7 The principle of devolution is nothing new. It means central government devolving power, funding and responsibilities currently held in Whitehall departments or central government bodies, down to local areas. To date devolution has been principally facilitated through the creation of new Combined Authorities as an additional tier of government, often under the democratic accountability of an Elected Mayor. (See **Appendix 1 – Map of current English devolution landscape, December 2024**)
- 4.8 Over the past six months the formation of the new Lancashire Combined County Authority (CCA) has taken a step forward with the formation of the new body laid in Parliament. The first shadow meeting of the organisation was held at County Hall in Preston, in preparation for the first full meeting of the authority in the first part of 2025. Already government has released £20million of funding as part of the devolution deal to create the new Lancashire CCA, which was signed last November. The CCA will provide a single body to deliver on local priorities and provide greater local accountability and decision-making powers. However, under devolution requirements the Government will require Lancashire to move to the Mayoral Combined Authority model.
- 4.9 Combined Authorities will be renamed Strategic Authorities and there will be three levels of Strategic Authority. The vision outlined by Government is that all parts of England are to be part of regional Strategic Authorities that have a regional Mayor. These Strategic Authorities, working in a similar way to existing Mayoral Combined Authorities, will have responsibility for:
- driving growth
  - shaping public services across wider regional geographies
  - strategic leadership of key place shaping responsibilities such as economic regeneration and growth, strategic planning, skills and employment and strategic transport.
- 4.10 The proposed Strategic Authorities will belong to one of three levels:
- **Foundation Strategic Authorities:** these include non-mayoral Combined Authorities and Combined County Authorities automatically. In exceptional circumstances, the Secretary of State will have the power to designate an individual Local Authority as a Foundation Strategic Authority.
  - **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.

## **New Powers**

4.11 The Government will introduce a statutory devolution framework, which will set out in law the statutory functions, defined areas of competence, and governance arrangements for devolved institutions. Mayors will have new powers in several areas including housing and strategic planning, economic development and regeneration and energy, environment and climate change.

## **Potential Benefits of Reorganisation / Devolution**

4.12 The proposed benefits of unitary councils are that they:

- can lead to better outcomes for residents;
- save significant money which can be reinvested in public services;
- improve accountability with fewer politicians who are more able to focus on delivering for residents; and

4.13 The potential benefits of devolution include strengthened economic recovery and growth across the wider region. This would come through securing substantial new functions, powers, and resources to enhance place-based leadership at regional, sub-regional and local levels for the benefit of local residents. It would leverage significant investment funding from Government and the private sector. The 2024 White Paper sets out a strengthening of such arrangements, including an updated Strategic Framework of Powers, Functions and Funding summarised on Pages 86 – 90 of the White Paper and these include:

- Funding and investment
- Strategic leadership
- 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

## **Key Benefits of a Pennine Lancashire Proposal**

4.14 The establishment of a new authority could bring numerous advantages, including:

- **Equitable Representation:** A new organisation ensures all areas have a proportional voice, fostering collaboration and shared prosperity.

- Improved Services: Streamlined governance would enable more efficient delivery of essential services.
- Economic Growth: A unified approach to investment and development can attract businesses and create jobs.
- Stronger Identity: Pennine Lancashire has a distinct character that can be enhanced and celebrated under this structure.
- Tools for Transformation: With its scale, the authority could address longstanding issues and drive a shared vision of regeneration and sustainability.

## **Timetable**

- 4.15 The Government has set out a timetable for the areas to develop devolution and reorganisation proposals at pace. This includes the offer of a DPP for areas wanting to move quickly with devolution proposals and Authorities need to confirm this position by 10 January 2025. Those accepted onto the DPP would prioritise devolution through the creation of a Strategic Authority, with Mayoral elections in May 2026. The Local Government Minister has been clear that they will lay secondary legislation and expect Local Authorities to postpone local council elections from May 2025 to May 2026, to help areas deliver reorganisation and devolution to the ambitious timeframes. This will provide a necessary stable platform on which devolution proposals can progress at pace in 2025 to ensure the benefits of devolution for the area are realised as quickly as possible.
- 4.16 A formal invitation to submit reorganisation proposals will be issued to authorities by the end of January 2025.
- 4.17 Initial proposals for reorganisation must be submitted to the Government by March 2025.
- 4.18 Final proposals must be submitted by May 2025 (for those on the DPP) and Autumn 2025 (for those not on the DPP).
- 4.19 Mayoral elections will take place in 2026 (DPP areas) and 2027 (non DPP areas).
- 4.20 All two-tier areas, including Lancashire, are to be replaced by unitary authorities by either April 2027 (DPP areas) or April 2028 (non DPP areas).

## **Next Steps**

- 4.21 Government will:
- have discussions with Council leaders and invite proposals;
  - set out information on the criteria for sustainable unitary structures;
  - continue to roll out the devolution programme;
  - take the Devolution Bill through Parliament;

- set out its Priority Programme for devolution for areas that are willing to progress devolution to an accelerated timescale; and
- plan for inaugural mayoral elections in May 2026 (or May 2027).

4.22 Irrespective of whether or not an area such as Lancashire is on the Priority Programme, it is expected to produce local government re-organisation plans by Autumn 2025 to replace the current two-tier system.

## 5. Alternative Options considered and Reasons for Rejection

5.1 N/A

## 6. Consultations

6.1 [The English Devolution White Paper](#)

## 7. Implications

<b>Financial implications (including any future financial commitments for the Council)</b>	None at this stage as this is just a response to the Government's invitation to express interest in devolution. Further reports will be presented setting out the financial "offer" that would come with further devolution in Lancashire. As the process progresses a clearer picture will emerge of the potential savings reorganisation would bring, as well as the costs involved in the reorganisation process.
<b>Legal and human rights implications</b>	There are no equality impact, legal, Human Rights implications as the proposal is to respond to the Government's invitation to express interest in devolution
<b>Assessment of risk</b>	N/A at this time
<b>Equality and diversity implications</b> <i>A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	This is just a response to the Government's invitation to express interest in devolution.

## 7. Local Government (Access to Information) Act 1985:

## **List of Background Papers**

7.1 [The English Devolution White Paper](#)

## **8. Freedom of Information**

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.



# Appendix 1 – Map of current English devolution landscape, December 2024

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

