

## Harborough District Council



### Report to the Cabinet 20 January 2025

<b>Title:</b>	Devolution White Paper Update
<b>Status:</b>	Public
<b>Key Decision:</b>	No
<b>Report Author:</b>	John Richardson Chief Executive
<b>Portfolio Holder:</b>	Cllr Knowles (Leader) – Strategy
<b>Appendices:</b>	None

#### Executive Summary

- i. The English Devolution White Paper was published on 16 December 2024. The White Paper sets out the Government's plans for changes to local government in England to extend devolution powers and funding, and proposes a redistribution of powers from central to local government, including extending powers to Mayoral authorities. It also includes proposals for local government reorganisation for two-tier areas with a target size of 500,000 population.
- ii. The Council welcomes the opportunity for devolution of powers and funding from central government to the regions as a good way to secure investment and stimulate economic growth within our communities.
- iii. The Council, along with other district and borough councils in Leicestershire, believes that a population of 500,000 would be too big to be able to provide good local services to local people, especially in rural areas. The Council wants to make sure local government remains local and also accessible for residents in need.
- iv. The Council remains open to working collaboratively with other partners to develop proposals that work for Leicester, Leicestershire and Rutland and that make sense to local people.

#### Recommendation

##### It is recommended that Cabinet

- 1. Authorises the Chief Executive, in consultation with the leader of the Council, to undertake any such work as is considered necessary to prepare the Council's response to the White Paper and any Ministerial Letters.**
- 2. Notes that a further report will be brought to Cabinet/Council for consideration prior to any specific proposals being submitted to government.**
- 3. That if required a special meeting of Cabinet/Council be called to consider any draft proposal being submitted to government.**

#### Reasons for Recommendation

- v. To enable the initial engagement and work to commence in response to the White Paper.

## **1. Purpose of Report**

- 1.1 To advise Cabinet of the summary content of the Government's recent Devolution White Paper and to seek approval to commence such work as is considered necessary in response.

## **2. Background**

- 2.1 The English Devolution White Paper was published on 16 December 2024. The White Paper sets out the Government's plans for changes to local government in England to extend devolution powers and funding, and proposes a redistribution of powers from central to local government, including extending powers to Mayoral authorities. It includes a programme of local government reorganisation for two-tier areas.
- 2.2 An English Devolution Bill is intended to be brought forward by the Government.

## **3. Details**

### **3.1 Devolution**

Much of the White Paper focuses on the new framework for devolution and the powers that will be devolved. In the new devolution framework, all combined authorities will be referred to as Strategic Authorities. The White Paper restates Government's ambition that all areas will ultimately have a Mayoral Strategic Authority. The Secretary of State will be given the power to create a Strategic Authority by ministerial directive where local consensus cannot be achieved on devolution proposals. All areas, regardless of whether they have a Strategic Authority in place, will have to produce a Spatial Development Strategy. All Strategic Authorities will be required to produce a local growth plan. Strategic Authorities will have defined areas of competence. The White Paper indicates the types of power that will be devolved. These areas are:

- Transport and local infrastructure.
- Skills and employment support.
- Housing and strategic planning.
- Economic development and regeneration.
- Environment and climate change.
- Health, wellbeing and public service reform.
- Public safety.

### **3.2 Local Government Re-organisation (LGR)**

The White Paper also references Local Government Re-organisation, and states that; Councils in all 21 two-tier areas will be expected to reorganise over this Parliament and the next. The Government intends reorganisation to happen in a phased approach, with the first new unitary councils expected before the end of this Parliament. Reorganisation

may also affect smaller unitary councils outside two-tier areas, especially if they are struggling to remain financially viable.

Reorganisation is not a requirement for devolution. But the Government has indicated it will prioritise areas where reorganisation can unlock devolution.

The Government has set a clear expectation that new unitary councils should be based on a population size of at least 500,000. But it has indicated it will consider smaller unitary councils (at approx. 350,000 – 450,000) on an exceptional basis where there is evidence that this would make sense for a local area. The White Paper does not set out any other specific criteria for acceptable reorganisation proposals.

The Government will be writing to council leaders by the end of January to formally invite proposals and it is expected that the letter will detail the criteria expected for sustainable unitary structures and how and when to submit proposals. It is understood that draft proposals will be required to be submitted by March and final proposals by May.

This deadline is extremely tight and the Government is clear that reorganisation should not delay devolution and plans for both should be complementary. They intend to work 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, it is understood that decisions will be on a case-by-case basis.

#### **4.0 Initial response to proposals**

4.1 The opportunity for devolution of powers within a Mayoral Strategic Authority from central government to the regions appears positive for Leicester, Leicestershire and Rutland as a good way to secure investment and stimulate economic growth within our communities.

It is the joint belief of the Leaders of the District and Borough Councils that they deliver first class services, they are 100% committed to their communities and this is something that is not broken, and as such there is no need to reorganise local government.

It also is the view of the Leaders of Districts and Boroughs, that if LGR is forced through then a Unitary population of 500,000 plus would be too big to be able to provide good local services to local people, especially in rural areas. There is a strong desire to make sure local government remains local.

Harborough District Council is a well-run council with a strong financial track record.

However, if LGR is to be forced through then the Council has to be open to working collaboratively with other partners to develop a proposal that makes sense to and is in the best interests of local people.

A report will be brought to Council, at the appropriate time, to enable detailed consideration of any proposals prior to them being submitted to Government. It should be noted an Extra-ordinary Council meeting may be necessary to ensure this happens at the appropriate time.

#### **4. Implications of Decisions**

## **Corporate Priorities**

- 4.1 There are no implications arising from undertaking any initial preparatory work but it should be noted that this additional work will take significant officer time and capacity from senior managers.

## **Financial**

- 4.2 There are no immediate direct resource implications arising from the recommendations in this report. However, in the Draft 2025/26 Budget & MTFS report later on the agenda, the Council is proposing setting aside £150k to meet any cost associated with developing an LGR business case etc.

## **Legal**

- 4.3 There are no direct legal implications arising from this report, however, legal advice will be sought, where necessary, in relation to the next steps.

## **Policy**

- 4.4 No policy issues arise directly from this report.

## **Environmental Implications**

- 4.5 No environmental issues arise directly from this report.

## **Risk Management**

- 4.6 There may be a risk that no consensus on local government arrangements for Leicester, Leicestershire and Rutland will be reached and a solution could be imposed on the Council by Central Government.

## **Equalities Impact**

- 4.7 There are no equality implications arising from the recommendations in this report. In developing any proposals for a unitary structure regard will be given to equality implications and how the proposals might affect those groups with protected characteristics

## **Data Protection**

- 4.8 No data protection issues arise directly from this report.

## **5. Alternative Options Considered**

Not applicable.

## **6. Background papers**

[English Devolution White Paper - GOV.UK](https://www.gov.uk/white-papers/2018/english-devolution-white-paper)