

Council

23 January 2025

The English Devolution White Paper: Bringing forward Devolution and Local Government Reorganisation

Portfolio Holder: Councillor Vince Maple, Leader of the Council

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Summary

The [English Devolution White Paper](#) was published by the Government on 16 December 2024.

It is focused on the following key areas:

- Implementing a new framework of Government that makes devolution from the centre the default;
- Integrated funding settlements;
- Devolved control of transportation, housing and skills;
- More local oversight of delivering climate change commitments;
- Joining up public services and moving towards prevention; and
- Reorganising local government and moving towards a single tier structure.

The Council have been invited to respond to the White Paper in short order and indicated our desire to be included in the first tranche of authorities to move forward with the policy, the '[Devolution] Priority Programme', on Friday 10 January 2025. We should now consider how to position Medway Council most strongly in the conversations that are beginning in earnest around the real impact of devolution and, more specifically, Local Government Reorganisation (LGR), across Medway and the wider Kent area.

1. Recommendations

1.1. The Council is asked:

1.1.1. To note that the Leader of the Council wrote to Minister McMahon on 10 January 2025, indicating our preference to be included in the Devolution Priority Programme.

1.1.2. To delegate authority to the Chief Executive, in consultation with the Leader of the Council, to establish the appropriate support and resource to deliver this

programme of change (inclusive of recruitment to new posts as deemed necessary).

- 1.1.3. To establish a Member Working Group which will work closely with officers and to agree its membership and terms of reference as set out in paragraphs 4.4 - 4.7 of the report).

2. Budget and policy framework

- 2.1. On 16 December 2024 the Government published the 'English Devolution White Paper - Power and partnerships: Foundations for growth'. On the same day, the Minister of State for Local Government and English Devolution, Jim McMahon OBE MP, wrote to Council Leaders setting out next steps to taking the proposals in the White Paper forward, and setting 10 January 2025 as the deadline for a formal request for areas to be included in the Devolution Priority Programme. The letter is attached to this paper as Appendix 8.
- 2.2. A meeting of Kent Council Leaders was held on the 18th of December to consider the White Paper and the Minister's letter, and there have been several meetings of the Kent Leaders Devolution Working Group, chaired by Matt Boughton, Leader of Tonbridge & Malling Borough Council. A briefing for Kent and Medway MPs was held on 6 January and further engagement with other key strategic partners in Kent and Medway is being planned for the weeks and months ahead. We remain committed to working constructively and transparently with all wider Kent partners as the full implications of the White Paper become clear.
- 2.3. The Government's new devolution agenda is ambitious and far-reaching. It represents a significant policy shift and will be accompanied by new legislation which will be introduced as the Priority Programme for devolution unfolds. As such, it must be noted that this is outside of our existing policy and budgetary framework, though Government have indicated that Capacity Funding will be provided to councils who go through the process.
- 2.4. The long-term result of devolution and LGR in Kent and Medway is an existential matter for Medway Council and all councils in the two-tier structure in England. On the basis that Medway Council is admitted on to the Priority Programme for devolution in partnership with our colleagues in Kent, we should expect that this matter will be at the top of the Council's working agenda until the process for devolution *and* Local Government reorganisation has completed and there has been a full transfer of responsibilities to the new suite of unitary authorities and a new 'Strategic Authority' for Kent and Medway.
- 2.5. It should be noted that Government expects all English councils, inclusive of two-tier areas and smaller unitaries, to develop proposals for devolution and reorganisation. The only variable is the *pace* of this inevitable change, and this will be quickened should we be admitted to the Priority Programme.
- 2.6. Government officials acknowledged the potential requirement to postpone the May County Council elections as soon as possible within January in order to

trigger the legislative processes required to establish the first tranche of devolved areas, under this policy, in shadow form by April 2026. Writing to request this postponement is a matter for Kent County Council.

- 2.7. Accordingly, Kent County Council held a special Council meeting at 10am on 9 January and resolved to:
- 1) Endorse the ongoing work between KCC, Medway Council and District and Borough Council Leaders to respond to the English Devolution White Paper
 - 2) Endorse the proposed decision by the Leader of the Council [Cabinet] to submit a request to Government, jointly with Medway Council, for Kent and Medway to be included in the Devolution Priority Programme
 - 3) Note that acceptance onto the Devolution Priority Programme will commit Kent and Medway to elections to a new Mayoral Strategic Authority (MSA) in May 2026 and implementation of local government reorganisation by April 2027 or April 2028
 - 4) Note that acceptance onto the Devolution Priority Programme may lead to the County Council elections scheduled for May 2025 being postponed subject to ministerial decision
 - 5) Expect there to be as much transparency as possible in this process [additional resolution reflecting the discussion at the meeting].
- 2.8. Subsequent to this, Kent County Council's Cabinet met on 9 January and resolved to:
- 1) Agree to submit a request to Government, jointly with Medway Council, for Kent and Medway to be included in the Devolution Priority Programme
 - 2) Note that acceptance onto the Devolution Priority Programme will commit Kent and Medway to elections to a new Mayoral Strategic Authority (MSA) in May 2026 and implementation of local government reorganisation by April 2027 or April 2028
 - 3) Agree to request that the Minister for Local Government and English Devolution consider postponing County elections scheduled for May 2025.
- 2.9. In respect of our governance, an all-member briefing was held at St George's Centre on the evening of 6 January. The 41 members present were able to ask a wide range of questions on both Devolution and Local Government Reorganisation, which supported an informative and comprehensive discussion. The Leader and the Chief Executive also undertook an all-staff briefing earlier today (23 January) to ensure that a strong understanding of the potential changes that this policy could bring about exists across the council.
- 2.10. Our productive engagement with the local government family in Kent predicated our writing to Minister McMahon, jointly with Kent County Council, on 10 January, to confirm our desire to be part of the Devolution Priority Programme. The correspondence is available at Appendix 9.

3. Background

- 3.1. The White Paper has been very recently published, though it has been preceded and followed by various correspondence with Government, which is provided in full in the appendices to this report, indexed below.

Date	Sender / Recipient	Overview	Appendix
16 July 2024	Angela Rayner to Leaders	Next steps for devolution and setting out policy intent	1
25 July 2024	Will Garton (MHCLG) to Chief Executives	Request for Expression of Interest submission by end of September	2
30 September 2024	Richard Hicks to Angela Rayner, Jim McMahon and Will Garton	Medway Expression of Interest and Covering Letter	3a and 3b
30 September 2024	Roger Gough and Vince Maple to Government	Kent and Medway joint Expression of Interest form	4
11 October 2024	Roger Gough to Angela Rayner	Kent and Medway joint letter to support Expressions of Interest; and letter from 14 principal Council Leaders across Kent and Medway	5a and 5b
12 December 2024	Jim McMahon to 14 principal Council Leaders in Kent and Medway	Response to the letter sent on 11 October by all 14 Council Leaders	6
16 December 2024	Jim McMahon to Leaders & Chief Executives	White Paper published – overview of content	7
16 December 2024	Jim McMahon to Leaders of all two-tier councils and neighbouring unitary authorities	Publication of White Paper and LGR.	8
10 January 2025	Roger Gough and Vince Maple to Government	Kent and Medway Joint letter to apply for place on Devolution Priority Programme.	9

- 3.2. To add further important context, the extended table below is an abridged version of the briefing presentation provided to Members on Monday 6

January, providing a strong summary of the content of the White Paper and the policy intention:

<p><i>Devolution overall</i></p>	<ul style="list-style-type: none"> - Government's preference is for every area in England to have a Devolution settlement. - Government plans to establish new Strategic Authorities – with a preference for them to be led by Directly Elected Mayors. - Strategic Authorities will be given a range of devolved powers – from transport to skills to economic development to public health. - Strategic Authorities will be responsible for writing the Local Growth Plan, Local Transport Plan, Local Natural Recovery Strategy, Local Skills Improvement Plans, Spatial Development etc. - Strategic Authorities will be given additional funds to undertake their new role – with established mayoral strategic authorities receiving the most. - Replacing the two-tier council system with unitary authorities with populations around 500k. These unitary councils will be Principal Authorities that will deliver the public services which exist under current unitary and two-tier systems.
<p><i>How Devolved Authorities used to be created – and what is changing</i></p>	<ul style="list-style-type: none"> - Moving away from a 'deal-based' approach - The new enhanced Devolution Framework will be the basis of Government's offer. - Government will no longer seek to agree 'deals', although it will agree text to confirm the powers available in the framework, local arrangements and confirm funding following the Spending Review. - The Framework is the floor, not the ceiling of the Government's offer. - New Mayoral Strategic Authorities will have the right to request any addition to the framework moving forward once the Mayoral Strategic Authority is established.

<p><i>What will the new governing structure look like</i></p>	<div style="border: 1px solid black; padding: 10px;"> <div style="background-color: #90EE90; border: 1px solid black; text-align: center; padding: 5px; margin-bottom: 10px;"> National Government </div> <div style="background-color: #ADD8E6; border: 1px solid black; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center;">Strategic Authorities</p> <div style="border: 1px solid black; display: inline-block; padding: 2px 10px; margin-bottom: 5px;"> Minimum population of 1.5m </div> <p style="text-align: center;">Established Mayoral Strategic Authorities MSAs can become EMSAs to unlock more devolution & funding once they've met certain criteria.</p> <p style="text-align: center;">Mayoral Strategic Authorities Authorities that have a mayor.</p> <p style="text-align: center;">Foundation Strategic Authorities Authorities without a Mayor</p> </div> <div style="background-color: #FFDAB9; border: 1px solid black; padding: 10px;"> <p style="text-align: center;">Principal Authorities</p> <div style="border: 1px solid black; display: inline-block; padding: 2px 10px; margin-bottom: 5px;"> Aiming for minimum population of 500k </div> <p style="text-align: center;">Unitary Authorities</p> <p style="font-size: small;">A single tier of Local Government sitting underneath Strategic Authorities</p> </div> </div>
<p><i>The geography of new strategic authorities?</i></p>	<p>Government will consider these principles when agreeing new Strategic Authorities geography:</p> <ul style="list-style-type: none"> - Scale: Strategic Authorities to have a combined population of 1.5 million or above. - Economies: Strategic Authorities to cover functional economic areas, reflecting travel-to-work patterns and local labour markets. - Contiguity: Strategic Authorities must be contiguous across its constituent councils. - No 'devolution islands': Strategic Authorities must not create devolution 'islands' by leaving areas which are too small to go it alone. - Delivery: Strategic Authorities to effectively deliver key functions including Spatial Development Strategies, Local Transport Plans, and Get Britain Working Plans. - Alignment: Government will promote alignment between devolution boundaries and other public sector boundaries. - Local Identity: A vital element of successful devolution is the ability for residents to engage with and hold their devolved institutions to account.

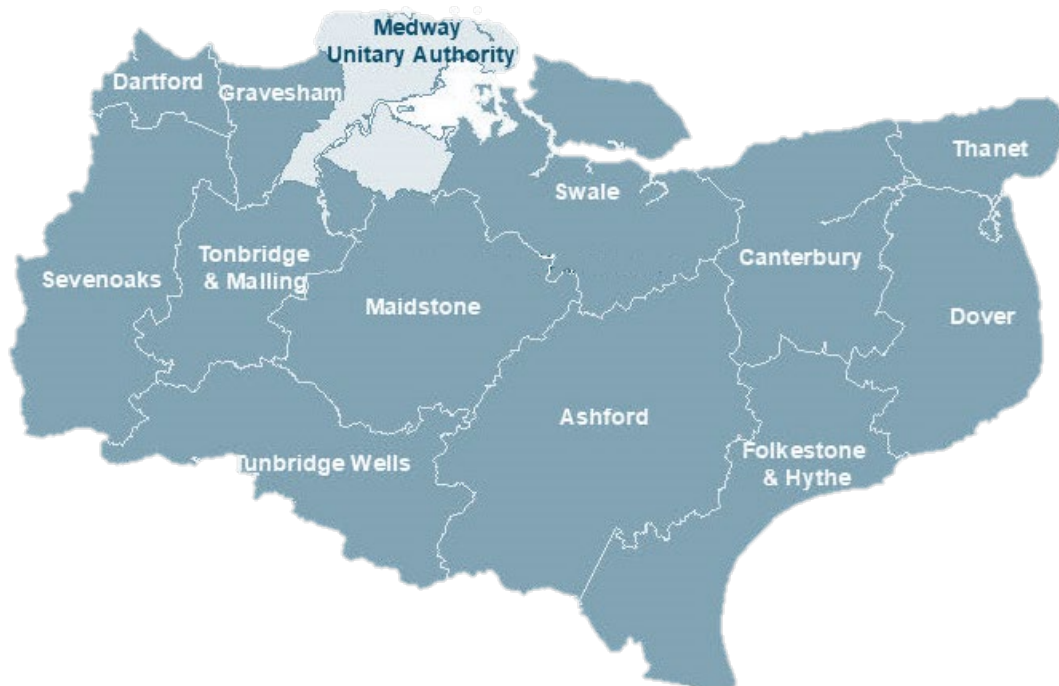
<p><i>What will be Strategic Authorities' remit?</i></p>	<p>Strategic Authorities will have a mandate to act strategically to drive growth and reshape public services in these areas:</p> <ol style="list-style-type: none"> 1. Transport and local infrastructure 2. Skills and employment support 3. Housing and strategic planning 4. Economic development and regeneration 5. Environment and climate change 6. Health, wellbeing and public service reform 7. Public safety <p>Established Mayoral Strategic Authorities will be able to propose additional functions to be added to the statutory Devolution Framework. This will be an annual process ahead of fiscal events.</p>
<p><i>Devolution Priority Programme</i></p>	<ul style="list-style-type: none"> - The Devolution Priority Programme is for areas that meet the Government's geography criteria, as set out in the White Paper, and are ready to achieve Mayoral devolution at pace. - The objective of the programme is to establish Mayoral strategic authorities in time for May 2026 Mayoral elections. - There will be full backing from Government to deliver this. The Programme will streamline the usual processes, reducing burdens on councils.
<p><i>Benefits of joining the priority programme</i></p>	<ul style="list-style-type: none"> - Having a Mayor elected in May 2026 – the earliest possible point - Having access to the Mayoral strategic authority level of the framework, as set out in the White Paper - Taking seat at the Council of the Nations and the Regions, and Mayoral council, to feed into national policy making - Start the clock on getting to Established status, which requires a Mayor being in place for 18 months, which, if reached, unlocks the Integrated Settlement

- Backing from government, including Ministerial support and engagement, to meet timescales for May 2026 and capacity funding to start flowing the year before your election

STRATEGIC AUTHORITIES		PRINCIPAL AUTHORITIES
December 2024	Engagement at officer and political level on joining the Devolution Priority Programme and confirmation that you will join the Devolution Priority Programme (note – this is not a 'final' decision on having a Mayor)	Ministers intend to formally invite unitary proposals
January 2025		
February 2025	Centrally-led (run by Government) consultation on becoming a Mayoral strategic authority as per the framework – running for 6-8weeks	Submission of interim plans for Local Government Reorganisation
March 2025		
April 2025		
May 2025		May deadline for formal proposal if May 2026 elections are postponed for areas which want to move at pace
June 2025		
July 2025		
August 2025	Reach agreement to proceed, including Investment Fund amount following the spending Review.	September deadline for formal proposals for remaining areas.
September 2025		
October 2025	Statutory Instruments taken through Parliament	New <u>unitaries</u> will go live in April 2027 or April 2028 – this will depend on capacity, and timelines for devolution in each area
November 2025		
December 2025		
January 2026		
February 2026		
March 2026	Institution established	
April 2026	Mayoral elections	
May 2026		

Local Government Reorganisation

- The White Paper states that the Government 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.
- The Government expects all two-tier areas and smaller or failing unitaries to develop proposals for reorganisation.
- There will be a phased approach to delivery, taking into account where reorganisation can unlock devolution. 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 which aim to have a population of 500,000 or more. However, there may be exceptions to ensure new structures make sense for an area, including on devolution.



4. Options

- 4.1. In writing to join the Priority Programme, we have responded positively to a direct invitation from the incumbent Minister McMahon and would expect early mover advantage, flexibilities in the process (this remains 'live policy' as determined by Civil Servants) and Capacity Funding to support us on this transformation journey.
- 4.2. Perhaps the most compelling argument for joining the priority programme is that it is the quickest route for a future Kent and Medway Strategic Authority to draw down devolved powers and monies from Government to deliver new and reformed services and improvement programmes for benefit of our residents and businesses. This would then give us and our partners an immediate stronger voice in discussions on national policy and priorities with Government through membership of the Council of Nations and Regions. Moreover, given the criteria for moving to Established Mayoral Strategic Authority status is primarily an 18-month running period, the sooner Kent and Medway delivers a Mayoral Strategic Authority, the sooner it can gain the substantive benefits of an Integrated Settlement with Government, gaining greater freedoms over the use of devolved monies, and seek additional and bespoke devolved powers.
- 4.3. In the short term, this will become very resource intensive, very quickly, and will potentially divert staff away from dealing with issues important to the residents of Medway. To meet this requirement, Council is asked to agree a delegation to the Leader and Chief Executive to identify and assemble the right resource to deliver this significant programme of change.

- 4.4. Additionally, it is recommended that a Member Working Group is established, the terms of reference of which will be to oversee the Council's response to the White Paper and the development of all proposals pertaining to Devolution, the establishment of any new Mayoral Strategic/Combined Authority and all matters relating to Local Government Reorganisation in whatever form it takes.
- 4.5. After consulting with the Council Leader, it is proposed that this Working Group is formed on the basis of 6 Labour and Co-operative Group Members, 4 Conservative Group Members and 1 Independent Group Member, in accordance with political balance.
- 4.6. As with all working groups, this group will not have any decision-making powers, therefore, reports will be submitted to full Council where formal decisions are required, as necessary.
- 4.7. The three political groups have confirmed that the membership for this working group will be as follows:

Labour and Co-operative Group (6) – Councillors Maple, Murray, Mahil, McDonald, Howcroft-Scott and Field (Councillors Peake and Animashaun – Subs)

Conservative Group (4) – Councillors Perfect, Hackwell, Tejan and Lawrence (Councillor Kemp – Sub)

Independent Group (1) – Councillor Crozer (Councillor Sands – Sub)

5. Advice and analysis

- 5.1. It is very clear that the Government are keen for Kent and Medway to work together in progressing devolution in our shared area and the Minister has corresponded with us accordingly.
- 5.2. On this basis, and the fact that Government would like to see 'devolution as the default', we should make every effort to act swiftly and decisively and progress with the devolution agenda in our area. The external perception for some time has been that Government have been keen to unlock devolution and Local Government Reorganisation early, specifically at pace in Kent and Medway, in Greater Essex, and Surrey and Hampshire; and it is sensible for us to move now, and take the opportunity to deliver the benefits of this new policy for the residents of Medway at the earliest opportunity.
- 5.3. An indicative timeline for next steps for devolution and LGR is as follows:
 - 1) By the end of January 2025 – the Secretary of State writes to all authorities inviting reorganisation proposals. Indicative proposals to be agreed in March, with final proposals by the Autumn;
 - 2) May 2026 – Mayoral Elections;
 - 3) May 2027 – Shadow Unitary Authority Elections;

4) April 2028 – Unitary Authority go-live.

6. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Unbudgeted costs of undertaking all needed work in the short-term	Early efforts on devolution will divert senior staff away from other important council work.	Leaders have been invited to explore with Government what support they might need to develop robust proposals and we will take up this offer.	All
Negative impact on staff morale given links to Local Government Reorganisation and potential job threat	It is likely that staff will begin to worry about the impact of this agenda of their own jobs and will start to consider their own long-term positions.	Communications programme already underway which focuses on the positive opportunities associated with devolution.	BII

For risk rating, please refer to the following table (please **retain** table in final report):

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

7. Consultation

- 7.1. Government will lead the public consultation process for devolution. At the time of writing, the plans for this process are unknown.
- 7.2. We should expect to play an important role in the process of disseminating information on the public consultation process and will, like our partner authorities, offer our libraries and digital platforms to Government as channels for ensuring that our residents are kept informed on the direction of travel and, most importantly, are able to offer their own views as to the roll-out of this generational change in the delivery of their important local services.

8. Climate change implications

- 8.1. Whilst we are currently unclear on the climate impacts of enlisting on the Priority Programme, it is quite evident that Government intends to enable more local delivery of our climate change commitments, which should have a positive impact in the longer term.

9. Financial implications

- 9.1. We need to consider any requirements for new posts, unfunded by the Capacity Funding, in the context of our straitened financial position. This will be an urgent matter for discussion across various members of CMT. Ultimately, all financial implications relating to this new policy are neither clearly understood nor quantifiable at this early stage.
- 9.2. It is too early to comment on the financial implications of joining the Priority Programme for Devolution, the broader impacts of Devolution itself, or even the longer-term impacts of Local Government reorganisation. In the short term, Government have promised capacity funding to councils who choose to push ahead with the policies outlined in the White Paper and we should pursue this accordingly.
- 9.3. The longer-term aim is to secure the Integrated Funding Settlement via a new 'Strategic Authority' at the earliest possible point. Whilst we must retain this focus given the likely positive impact for our residents, we must not lose sight of the fact that a new iteration of a unitary council for our existing area will be the recipients of this settlement.

10. Legal implications

- 10.1. The legal implications are contained within the body of the report. As the two works streams progress further, more detailed legal implications will arise as a result of the new enabling legislation. These will be detailed in future reports.

Lead officer contact

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Appendices

Please see section 4.2

Background papers

The key background paper is the [English Devolution White Paper](#) which can be found via the link atop this document, which is also available [here](#).

The full weblink to the pdf is here:

https://assets.publishing.service.gov.uk/media/676028c9cfbf84c3b2bcfa57/English_Devolution_White_Paper_Web_Accessible.pdf

The document is also available in html version on gov.uk, here:

<https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth/english-devolution-white-paper>