



Ministry of Housing,
Communities &
Local Government

Jim McMahon OBE MP

*Minister of State for Local Government
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2 Marsham Street
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Dear Colleague,

PUBLICATION OF THE ENGLISH DEVOLUTION WHITE PAPER

Firstly, I want to thank you and your teams for the work you have been doing to support local communities throughout the year. I know that mounting pressures have made the job harder, but you have the commitment of this government to work as equal partners in rebuilding vital public services and delivering growth that is felt in every corner of the country.

We know that our Plan for Change relies on strong local government, as the foundation of our state – critical to driving growth, delivering and reforming the local public services people rely on, and to our democratic system. We are a government that believes, at our very core, in local power. That is why we continue to work closely with colleagues through the Local Government Association and its special interest groups, and why we have established a Leaders Council. And it is why today, we are publishing the English Devolution White Paper – a milestone in delivering our promise to permanently shift power from the centre.

It was a decade ago that the first mayoral devolution agreement outside of London was signed, I know because I was one of the council leaders who contributed to it, and who signed it to create the Mayor of Greater Manchester. Much was learnt from that experience, and what followed it. We proved that devolution works. We proved that it relies on the good faith and commitment of council leaders, working hand in glove with a mayor who relentlessly drives for greater powers from the centre, to deliver change which can be felt by local people – with bus franchising a good example of this. But it is also self-evident that the devolution by deal approach in England has led to an ad hoc and inconsistent patchwork which isn't the sum of its parts, nor does it meet the test of placing the right powers in the right places. Central government is still hoarding power that would be best placed locally.

At the core of the White Paper is our vision for making devolution the default setting of government, rather than a policy dictated by the whims of Westminster and Whitehall. The government will legislate to set out which powers go to which type of authority. The basis for these decisions will be rooted in this government's belief that the role of Local Government is to shape their local places by delivering the vital frontline services residents rely on, as well as bringing together communities to feel connected and proud of their local areas. Mayors provide a strategic layer, able to unblock regional disagreements and drive economic growth. The most far-reaching and flexible powers will be for areas with Mayors, because they provide the most visible and accountable form of local leadership.

Those powers will be deepened. As part of the White Paper, we have published an enhanced devolution framework, including: a clear and transparent route to accessing integrated funding settlements over time; new powers over strategic planning so that Mayors and Strategic Authorities with council leaders are able to plan sustainably for housing and infrastructure

growth; devolution of non-apprenticeship adult skills functions and supported employment funding, as well as a substantive role in future employment support that is additional to core Jobcentre Plus provision; a statutory role for Mayors in governing, managing, planning, and developing the rail network; and a strengthened role in relation to business support, boosting exports and attracting international investment. This represents the floor of our ambition, not the ceiling, so we will enable our most mature strategic authorities to request and pilot new functions to drive innovation.

Strategic Authorities, working in partnership with Local Authorities, will be positioned as convenors on public service reform. This is foundational to address the mounting pressures and demand, and to hardwire prevention into a new way of working. Many councils do this well, but we hear all too often that it is often despite other parts of government, not with the support of it. For others, the overwhelming pressure to keep afloat so the system doesn't fall over is all consuming. That must change and more will follow on placed based working. The White Paper will set out how we support this by better aligning accountability. The government will transfer Police and Crime Commissioner and Fire and Rescue Authority responsibilities to Mayors where boundaries align; establish an expectation that Mayors are appointed to Integrated Care Partnerships and are considered for the role for Chair; and announces a long-term ambition to align public service boundaries, including Job Centres, police, probation, fire, health services, and Strategic Authorities.

As we widen devolution, our goal is simple. Universal coverage of Strategic Authorities in England. The government issued an invitation to places without devolution to submit proposals in July to enable us to see the range of proposals and approaches being taken across the country. We have secured mayoral devolution agreements with council leaders in Greater Lincolnshire and Hull and East Yorkshire which will see elections taking place in May 2025, and we have had constructive conversations with a range of areas where there is a determination to realise a deeper devolution settlement, including Cheshire and Warrington, Norfolk and Suffolk and a number of others.

The government will shortly set out its Priority Programme for devolution - which will be for areas that are willing to progress devolution to an accelerated timescale and to plan for inaugural mayoral elections in May 2026. This will be a focused programme to align any other reforms which may be required, so there is clarity and transparency on the timetable, as well as the support on offer to build capacity where it is needed. Taken with the clear offer presented in the White Paper, we expect the programme to demonstrate that our ambition is shared across the country and by local leaders of all stripes.

More widely, the government will continue to develop proposals for new strategic authorities collaboratively and in partnership with local areas over a longer period once the Devolution Priority Programme has developed. However, to ensure that everyone in England can benefit from devolution and ensure the effective running of public services, the government will legislate for a ministerial directive, allowing the creation of strategic authorities where absolutely necessary and, after due time has been allowed, local leaders have not been able to agree. It is not our expectation that this will be widely used, and it is our hope that it will not be needed. But it is right we are clear about the direction of travel and that we are settling out a new approach for the whole of England.

Local authorities are the foundation of devolution and this project will create a new constitutional settlement for local government of all kinds. A settlement that prioritises putting local government on the road to recovery and reform and ending the destructive 'Whitehall knows best' mindset.

I recognise the challenges you are facing and the incredible commitment and hard work you have shown over the difficult last 14 years. In the local government finance policy statement published in November, we committed to providing the first multi-year funding settlement in 10 years in 2026-27, to give you the certainty you need. We have taken immediate action to ensure that deprivation as a key driver of demand is taken into account with the release of £600 million through a Recovery Grant. We know much more needs to be done, and so we will also reform our approach to allocating funding within the Local Government Finance Settlement, to redistribute funding to reflect an up-to-date assessment of need and local revenue from 2026/27. The initial consultation on the principles of this funding reform will be launched later this week.

I also know that the rising cost of statutory services has put serious pressure on your budgets and often forced you to focus on crisis management. The 2025/26 Settlement sees new funding of over £4bn, including a new Children's Social Care Prevention Grant, worth £250 million, which will nearly double direct investment in prevention in children's services. We are also committed to mainstreaming reform and prevention to local authorities across England, with £100m allocated to innovative projects supporting public service reform, partnering with local leaders and mayors. You are critical partners in this government's commitment to reform public services.

This is a government that is committed to long term, sustainable success and we know many councils want to take forward local government reorganisation, not least of because we have received a number of requests already.

At a time when so many councils have been forced to reduce vital frontline and neighbourhood services, it is not right that Taxpayers in some areas are required to pay for the two-tier premium, both in overall cash terms and in opportunity cost – a 2020 report found that reorganisation would realise £2.9bn over five years, with a one-off cost of £400m. The same is true of government who provide grants partly to account for the inability to move funding across service areas between councils with very little benefit to frontline services.

We will work with councils to ensure simpler local government structures of sustainable size, that deliver for residents. We are writing in the first instance to all two-tier areas and neighbouring small unitaries, setting out our plans to deliver new unitary councils, phasing delivery to take into account where reorganisation can unlock devolution, where areas are keen to proceed at pace or where it can help address wider failings. We will follow up in the New Year with smaller or failing unitaries which would benefit from reorganisation into more sustainable structures.

But to do that, central government has to give you the autonomy you need. We believe that decisions with purely local implications should, by default, be taken locally, ending the 'parent-child' dynamic that has characterised the relationship between central and local government in recent years. That is why the White Paper commits to reforming the use of competitive and ringfenced funding pots, which waste your resources, along with consolidating funding wherever possible into the Local Government Finance Settlement and streamlining requirements for reporting and evaluation. It is why we intend to take forward measures in the proposed Planning and Infrastructure Bill to introduce a power for local planning authorities to be able to vary or set their own planning fees. And it is why we commit to working with you to remove requirements for Secretaries of State to sign-off on the use of your powers, including the ability to make byelaws, through a comprehensive review.

We will also be changing the process for selective licensing, so that local authorities will no longer need to seek Secretary of State approval when implementing schemes covering more than 20% of their area or private rented sector. Local authorities will be able to introduce schemes of any size provided the statutory criteria are met, empowering you to manage

housing standards and improve conditions. To support transparency and ensure local voices are heard, the requirement to consult for a minimum of 10 weeks will be retained. We are also asking that local authorities publish the outcome of any reviews, share scheme data and include mayors in their consultation (where they are in mayoral strategic authority areas). The new general approval and updated guidance will be issued today, effective from 23 December 2024.

We are also setting out the steps needed to create a universal system of strategic planning. The government's preference is for this to be led by strategic authorities. However, where there is no strategic authority in place, or 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 and unitary authorities to deliver a Spatial Development Strategy (SDS). The arrangements for agreeing an SDS in such areas will follow the same principles as for foundation (non-mayoral) strategic authorities. Recognising the imperative of delivering a universal system, the government will legislate for intervention powers, to intervene where plans are not forthcoming to the timeframe.

Delivering for your residents also requires a solution to the capacity challenges you are facing around recruitment and retention. We committed to establish a workforce development group, run in partnership with the sector, which will identify practical solutions to help resolve workforce issues and I am pleased to say the first scoping meeting took place last week to kickstart this work.

We have listened to concerns the failure of the standards regime to give councils the teeth they need to deal with poor behaviour and the need to ensure that in creating new Strategic Authorities that we build reliable checks and balances into the system. Residents, members and officers also have the right to expect that those few elected councillors who do not meet the highest standards are held to account. To give councils appropriate and proportionate means to deal with misconduct, we will reform the standards system, consulting on measures including a mandatory code of conduct and the power to suspend those that break codes of conduct.

We have listened too on the numerous restrictions which hold back councils from modernising democratic engagement, and which potentially put off people from standing for local public office. Therefore, we are seeking views on enabling members to remotely attend formal council meetings and use proxy voting when necessary. We are also removing requirements for members' home addresses to be published, to reduce the risk of members or their families being subject to violence and intimidation.

Finally, autonomy must be combined with clear accountability. The White Paper commits to ensuring every council is fit, legal and decent. It promises to reform our systems of oversight and scrutiny by closing the Office for Local Government, which had a vague and duplicative remit, and committing to overhaul the local audit system in line with the recommendations of the Redmond and Kingman reviews. This means legislating to radically simplify the system, bringing as many audit functions as possible into one body so that it has a clear and focused purpose. I am clear too that there will be no return to the failed and bloated Audit Commission.

You and your fellow local leaders have worked tirelessly to support your residents through extremely difficult times. This government is grateful for your hard work, and I know we will keep working closely as we deliver on the vision of this White Paper and get on with our mission of national renewal.

Yours ever,

A handwritten signature in blue ink that reads "Jim McMahon." The signature is written in a cursive style with a large initial 'J'.

JIM MCMAHON OBE MP

Minister of State for Local Government and English Devolution