

# Supplementary Papers

## Council

held in The Ridgeway, The Beacon, Portway, Wantage, OX12 9BY  
on Wednesday 19 February 2025 at 7.00 pm

Open to the public including the press

6. Devolution and Local Government Reorganisation invitation update (Pages 2 - 28)

Update report on devolution and local government reorganisation attached.

# Council Report



Report of Chief Executive

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To: COUNCIL

DATE: 19 February 2025

## Devolution and Local Government Reorganisation Invitation Update.

### Recommendation(s)

To note:

- a) that Councils across the Thames Valley continue to work collectively on the development of a proposal for a Strategic Authority, but that Oxfordshire is not part of the Devolution Priority Programme.
- b) that officers have sought clarification from MHCLG on the alignment and linkage between a future Strategic Authority, and the recently announced Oxford Growth Commission and Oxford-Cambridge Growth Corridor work led by the Science Minister, Sir Patrick Vallance.
- c) that in response to the Government's invitation to submit proposals for unitarisation, Cabinet will consider which interim proposals it wishes to support the submission of, and the best route for submitting them, at its meeting on 19 March 2025.
- d) that before any final proposal is submitted to meet the 'long stop' date of 28 November, a further paper will be brought to Full Council to confirm submission.
- e) the significant role any future shadow council will have in the initial budget, officer appointments, culture and delivery model utilised by any new unitary council.

Implications (further detail within the report)	Financial	Legal	Climate and Ecological	Equality and diversity
	No	No	No	No
Signing off officer	Anna Winship, Deputy s151	Nicholas Bennett (MO)	Adrianna Partridge	Adrianna Partridge

## Purpose of Report

1. To update members on the English Devolution White Paper and that Thames Valley wide discussions continue to support the development of a Strategic Authority proposal. Noting that the timing of submission of such a proposal and the exact geography it will cover remain unclear.
2. To highlight the recent letter from Jim McMahon MP to all two-tier areas and the timescales for the submission of initial proposals for unitarisation by 21 March 2025. Noting that these interim proposals will not represent 'full' or final proposals, which must be developed and submitted before 28 November 2025.

## Strategic Objectives

3. All.

## Background

4. English Devolution White Paper
5. The English Devolution White Paper (EDWP) was published on 16 December 2024. Whilst at this stage it remains a white paper, Government have moved quickly to take forward several of the areas within it. Notably Government have subsequently confirmed a Devolution Priority Programme, which is intended to support elections to six new mayoral combined authorities in 2026. It has also issued a formal invitation to all two tier areas to submit initial proposals for unitarisation by 21 March 2025.
6. Electoral reform is not mentioned within the EDWP. Instead it is focused on "completing the map of English devolution", via structural and governance changes. Its clearly stated aim is to ensure that all areas of England fall under a Strategic Authority, with a strong preference for elected mayors, to create Mayoral Strategic Authorities as a universal model.
7. The areas of responsibility (known as "competence") of new Strategic Authorities are identified, as a minimum, to be:
  - 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

8. To support the above, Government propose to create a Statutory Devolution Framework to ensure, “as far as is practicable”, a standard governance model for all Strategic Authorities.
9. There is little detail on what the Framework will contain in terms of detailed governance, but the EDWP does say that some functions and decision making within a Mayoral Strategic Authority will be reserved to the Mayor, and that in non-Mayoral Strategic Authorities (referred to as Foundation authorities, and described as being a ‘stepping stone’ to a MSA), majority voting will apply to the majority of decisions. Different arrangements will remain in place for the Greater London Authority.
10. Government confirm that whilst they will take the power to expand the role and remit of a MSA by statutory instrument, so that additional functions may be given to a Mayor, they will not take a power to reduce the statutory devolution framework areas of responsibility.
11. When outlining how Government will “complete the map” to ensure that all areas are covered by a Strategic Authority, the EDWP outlines the following criteria for assessing proposals for new Strategic Authorities:
  - Scale: Strategic Authorities should be of comparable size to existing institutions. The default assumption is for them to have a combined population of 1.5 million or above, but Government accept that in some places, smaller authorities may be necessary.
  - Economies: Strategic Authorities must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets. Where travel to work areas are small and fragmented, Strategic Authorities will likely cover multiple travel to work areas.
  - Contiguity: Any proposed geography must be contiguous across its constituent councils (either now or with a clear plan to ensure contiguity in the future through agreed local government reorganisation).
  - No ‘devolution islands’: Geographies must not create devolution ‘islands’ by leaving areas which are too small to be Strategic Authorities and must not leave isolated authorities which do not have natural partners.
  - Delivery: Strategic Authority geographies should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.
  - Alignment: Government will seek to promote alignment between devolution boundaries and other public sector boundaries.
  - Identity: Local identity is recognised as important to support local residents to engage and hold devolved administrations to account.
12. There are two other main areas within this element of the EDWP. The first is that Government confirm that in two tier areas district councils will not be ‘constituent’ members of new Strategic Authorities. Therefore, Strategic Authority proposals can only be brought forward by ‘upper tier’ Councils (existing County and Unitary councils). The second is that Government will grant the Secretary of State the power to create a

strategic authority in areas where local leaders have been unable to agree how they will move forward.

13. The EDWP also introduces the concept of statutory Growth Plans. Mayors will be required to develop these plans in order to “set out a long term vision for Growth in their region over the next decade, and a roadmap for how this can be achieved”. In areas without a Mayor, there is a similar expectation that all foundation strategic authorities will “set out a long-term vision for growth in their area building on existing local industrial strategies where these exist”.
14. To support engagement and delivery, the EDWP also ‘reannounces’ supporting elements such as “The Council of the Nations and Regions”, the “The Mayoral Council” and the “National Wealth Fund”, saying these will be legislated for.
15. The White Paper confirms that the Government will no longer seek to reach ‘Devolution Deals’, but rather devolution to Strategic Authorities will be undertaken against a standard framework, the outcomes of which are described as being:
  - Mayors being free to set the priorities for funding that suit their areas through Integrated Settlements for Established Mayoral Strategic Authorities.
  - Strategic Authorities’ leadership of their area’s growth hardwired through Local Growth Plans, the Council of Nations and Regions, and the Mayoral Council.
  - Strategic Authorities being able to join up transport networks through: statutory local transport plans, faster bus franchising; joined-up transport funding; a statutory role for Mayors in governing, managing, planning, and developing the rail network; option for Mayors to control local rail stations; and the right to request rail devolution for Established Mayoral Strategic Authorities.
  - Skills and employment provision that is more relevant to local jobs because Strategic Authorities will have joint ownership of the Local Skills Improvement Plan model (alongside Employers Representative Bodies) and control of non-apprenticeship adult skills funding.
  - Increased housing, served by the necessary infrastructure, Mayors becoming responsible for a Spatial Development Strategy, covering infrastructure, employment and housing development and strategically planning for housing growth, backed by devolved funding, and for Mayors of Established Strategic Authorities, the ability to set the strategic direction of any future affordable homes programme.
  - More investment in local areas through fuller devolution of business support.
  - Strategic Authorities will have a strategic role in the delivery of the Local Power and Warm Homes Plans, including devolution and control of retrofit funding by 2028 to Established Mayoral Strategic Authorities, alongside clear roles in the wider energy system, including Heat Zoning, Heat networks and local energy plans.
  - Greater public service boundary alignment in the long term, making more Mayors responsible for fire, police, and engaged in Integrated Care Partnerships.

- Support for the mayoral convening role in public services, so Mayors and Strategic Authorities can drive public service reform.

16. Whilst described as devolution, significant elements of many of the areas that will become statutorily vested in the Mayor and/or the Strategic Authority currently sit with, or are potentially available, to local councils. This will include decarbonisation and retrofit, local nature recovery, heat networks and heat zones, as well as spatial planning and infrastructure in the context of local plan development.
17. The EDWP includes a summary white paper of the functions and approaches that will sit with each 'step' of the Strategic Authority journey, with 'established' levels representing those Strategic Authority's that will have access to an Integrated Financial Settlement by demonstrating sound governance and compliance and having had a Mayor in place for at least 18 months. This is available at Appendix A.
18. Appendix B describes the various types of Strategic Authority, that will be available to those areas who currently do not have a devolution deal in place. Appendix C contains the diagram developed by Government to illustrate the future governance arrangements it intends to legislate for.
19. The EDWP outlines Government's intention to replace all so called 'two tier' areas of local government with new unitary authorities. It notably does not propose any requirement to review existing unitary councils other than where there is evidence of size related delivery failure or financial distress. Further details around this have subsequently been received via a letter from the Minister to all councils in two tier areas, which is attached as Appendix D.
20. The EDWP commits Government to deliver significant reform in other areas that will directly impact local councils. These include:
- Introducing funding reform to better target Government support to those Councils with higher levels of deprivation, and exploring how to ensure that Strategic Authorities to drive growth via business rate retention
  - A new national audit regime, including the abolition of the Office for Local Government (OfLOG).
  - A mandatory members code of conduct and standards regime, reintroducing the power of suspension and disqualification as well as requiring all code investigation outcomes to be published.
  - The Government are consulting on the ability of members to attend and vote at all meetings remotely, as well as via proxy voting, and will remove the requirement for members home addresses to be published.
  - Multiple references to engagement and partnership, particularly with Mayors and businesses.

## 21. Rapid Delivery of new Strategic Authorities

22. Although the EDWP remains a White Paper, Government are moving ahead to implement it, either using existing legislation or by seeking to align timing so that their

desired outcome is achieved alongside the primary legislation. This approach follows long-established tradition with the UK system, where significant discretionary power is vested directly in the Prime Minister and their Cabinet.

23. Early steps taken by government have included the confirmation of the Devolution Priority Program, whereby the first wave of new Strategic Authorities aim to commence their existence in April 2027.
24. Under this program Government have committed to work to bring forward six new Mayoral Strategic Authorities as a 'first tranche'. When announcing these six areas, Government have been clear that the two-tier areas within them will be required to reorganise at the same pace as the creation of the new Strategic Authority, but that existing unitaries within them are not required to reorganise, other than where they are in financial distress or choose to seek to do so to improve delivery for residents.
25. When announcing the six new Strategic Authority areas, Government highlighted "that almost 80% of the English population will be covered by a Mayoral devolution model" at the end of this first tranche of devolution..
26. Strategic Authority development is determined by the wishes of 'upper tier' local authorities and the Secretary of State. Whilst the Government have encouraged conversation and engagement with Districts, there is no requirement for district councils to support their creation and district councils will have no formal decision-making role on any new Strategic Authority.
27. Oxfordshire is not within the Devolution Priority Programme, as Oxfordshire did not meet the criteria for inclusion, which was to have an agreed geography for a Mayoral Strategic Authority across a suitable geography for devolution. However, the County Council have actively sought to ensure that district councils are included in the ongoing Thames Valley wide discussions on the development of a Strategic Authority proposal.
28. Whilst led by the County and Unitary Leaders, district Leaders and senior officers have been involved in two summit style 'forums' to consider how to move forward, and a further forum is scheduled for late March or early April 2025.
29. The Leaders of Oxfordshire County Council, Vale of White Horse, and South Oxfordshire have all publicly indicated a preference to move forward at pace with a proposal for a Strategic Authority based on the geography of Oxfordshire, the 'Berkshire' unitaries and Buckinghamshire, though they have all noted that at this time Buckinghamshire have not been party to the collective discussions and so an initial move forward based on Oxfordshire and 'the Berkshires' should be explored.
30. The majority of Oxfordshire Leaders have expressed a view that discussion and development of a Strategic Authority and new unitary structures would best be delivered together, to maximise any benefits for residents and reduce uncertainty by shortening the period of inevitable disruption to delivery that such major structural change represents.
31. Whilst work continues across the Thames Valley on progressing this matter, at this stage, there is no definitive proposal or confirmed geography. Achieving clarity on a



preferred geography across the County Council and associated Unitary Councils is an essential 'next step' in order to engage further with Government on this matter and to remove unnecessary confusion from the process.

32. Whilst unclear in terms of its intended scope, there are obvious overlaps between the recently announced 'Oxford Growth Commission' and Government's recognition of an Oxford-Cambridge Growth Corridor, with work on these to be led by the Science Minister, Sir Patrick Valance, but at this time there is little, or no, clarity on how these initiatives align with the EDWP. Officers have raised this query directly with MHCLG officials, and a response is awaited.

### 33. Local Government Reorganisation

34. The EDWP outlines the expectation that "all two-tier areas" – those with a County Council and district councils - will reorganise into unitary authorities. It places no expectation on any existing unitary council to reorganise, other than highlighting that they should do so where they are invited to do so by Government, or it is in the interests of devolution, or they are experiencing financial distress, or where the opportunity to do so via being adjacent to a two-tier area would better support resilience, sustainability and service delivery.

35. Unlike previous rounds of Local Government Reorganisation (LGR) since 1974, there is no requirement for a two-tier area to demonstrate that unitarisation is a better model than the status quo, as the EDWP sets the expectation that all areas will be unitary, so there is no status quo option available to councils. The recent letter received by all two-tier areas from the Minister, Jim McMahon MP, therefore simply requests that unitary proposals are submitted. Given the likelihood of competing proposals in many areas, although these are actively discouraged by Government in the letter, which is attached as Appendix D, the Government have provided some criteria that Councils should work to.

36. The timescales for submission are short – with 'initial proposals' required by 21 March. These interim proposals are not intended to be binding, and the Government recognise that further work will be required to develop final proposals for consideration, and for these there is a long stop date of 28 November 2025.

37. The LGA's dedicated LGR pages on their website state that Government's requirements, or criteria, for new unitary authorities outlined in the letter are:

- "Are the right size to achieve efficiencies, improve capacity and withstand financial shocks. As a guiding principle, new councils should aim for a population of 500,000 or more. There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
- Prioritise the delivery of high quality and sustainable public services to citizens. Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services. Opportunities to deliver public service reform should be identified, including where they will lead to better value for money. Consideration should be given to



the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

- Demonstrate how local councils have sought to work together in coming to a view that best meets local needs and is informed by local views.
- Support devolution arrangements.
- Enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.”

38. There are three types of new Unitary option identified in the Letter, which are in common with previous rounds of reorganisation in the UK, having been enshrined in Law for over seventeen years as the Local Government and Public Involvement in Health Act 2007. These are:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

39. Government are clear in their letter that under the 2007 Act, the Government's Secretary of State will determine what form unitarisation will take in any given area. The legal power of the Secretary of State to do so, against the 2007 Act, has been upheld on numerous occasions by the Courts and is established process.

40. At present, there is no consensus across Oxfordshire on the development of a single interim proposal. At the request of the Leaders, officers are engaged in work with all Oxfordshire Councils to identify one or more interim proposal, that is at least *potentially* viable, under the legislation and the wording of the criteria in the Ministers letter.

41. Additionally, officers are also working with colleagues in West Berkshire, to explore the potential for a new unitary authority, comprising of the existing West Berkshire, South Oxfordshire and Vale of White Horse Council areas. This would also require proposing a unitary solution, or possible solutions, for the 'rest' of Oxfordshire.

42. At this time, there is insufficient information available to consider the format or content of any interim proposals, noting that even when made, such proposals are not definitive. A Cabinet meeting to consider interim proposals is scheduled for 19 March 2025.

43. It should be noted, that even once an approved and final proposal is submitted, the proposal itself has limited impact on the new Council beyond setting its geography and the initial number of members, which based on unitary transitions since 2007 would initially typically be double that of a County Council on the same footprint.

44. Should the Secretary of State approve a new unitary Council, elections to a shadow council will occur approximately 12 months before the 'vesting' or commencement date of the new unitary Council. It is this shadow council, not the predecessor bodies or members, that will determine the budget, structure, senior officer appointments and approach to localisation of delivery of the new Council. The shadow council members will need to do so within the context of the new unitary most likely coming into existence alongside the functions and responsibilities of a new Strategic Authority, or shortly before it.

## **Financial Implications**

45. At this time, the direct financial impact on South/Vale cannot be determined, but the work the Government are asking for will involve a significant resource commitment. Although Government have indicated that some support for this will be available, based on recent evidence such as the insufficient funding to meet the increased cost of national insurance contributions, any funding made available is unlikely to recognise the actual costs involved, especially if more than one interim proposal is pursued across Oxfordshire.

46. LGR will undoubtedly have an impact on the budgets recently approved by Council, but at this time these are unknown. As soon as it is possible to do so, the Head of Finance will bring forward an updated assessment to Cabinet, and if necessary, to Council.

## **Legal Implications**

47. There are no direct legal implications created by this report. Members of the legal team have reviewed this report, and, in their view, it is a fair and reasonable explanation of the current position as we understand it today. Members of the legal team are actively involved in work related to interim proposal and will be critical to the longer-term process and procedures that will be required to arrive at, and support, a final proposal and the delivery of the outcome, which will be determined by the Secretary of State.

## **Climate and ecological impact implications**

48. There are no direct climate and ecological implications from this report. The Government's intention for important climate and ecological responsibility such as retrofit, decarbonisation programmes, infrastructure including heat networks, spatial planning including housing and economic growth, transport planning including active travel and public transport, as well as nature recovery to sit at Strategic Authority level should be noted.

## **Equalities implications**

49. There are no direct equalities implications arising from this report. Once a clearer direction of travel is known an equality impact assessment will be carried out to assess potential equalities implications.

## **Risks**

50. There are no inherent risks created, or mitigated, by this report. The impact on delivery capacity that LGR will represent will be reflected in the delivery plans that will be considered by Cabinet in due course to support activity related to the new Council Plans

## **Other Implications**

51. Should government, as they have indicated, move to a model of universal unitary authorities across England, as is already the case in Wales and Scotland, County Councils and District Councils will cease to exist in the current formats in all existing two tier areas, and will be replaced by unitary councils of one shape or another.

## **Conclusion**

52. Council is asked to note the report and its recommendations.

**Background Papers:** None

# Appendix A

## Devolution Framework summary table

### Key

(\*\*) refers to functions for which funding will be included in Integrated Settlements for Established Mayoral Strategic Authorities

(^) refers to functions which apply to Combined and Combined County Authorities only

Detail	Foundation	Mayoral	Established
<b>Funding and investment</b>			
Access to a multi-departmental, long-term integrated funding settlement**			X
Long-term investment fund, with an agreed annual allocation		X	X
Removal of gateway review from investment fund, after Gateway One complete			X
Ability to introduce mayoral precepting on council tax^		X	X
Consolidation of local growth and place funding in a single pot**	X	X	X
<b>Strategic leadership</b>			
A statutory duty to produce Local Growth Plans		X	X
Membership of the Council of Nations and Regions		X	X
Membership of the Mayoral Data Council		X	X

Detail	Foundation	Mayoral	Established
<b>Transport and local infrastructure</b>			
Local Transport Authority and public transport functions, including bus franchising and responsibility for an area-wide Local Transport Plan	X	X	X
Simplification and consolidation of local transport funding**	X	X	X
Removal of certain Secretary of State consents, e.g. on lane rental schemes		X	X
Duty to establish a Key Route Network on the most important local roads^		X	X
Mayoral Power of Direction over use of constituent authority powers on the Key Route Network^		X	X
Priority for strategic rail engagement (including mayoral partnerships) with Great British Railways	X	X	X
Statutory role in governing, managing, planning, and developing the rail network		X	X
An option for greater control over local rail stations		X	X
A 'right to request' further rail devolution			X
Priority for support to deliver multi-modal ticketing			X

<b>Detail</b>	<b>Foundation</b>	<b>Mayoral</b>	<b>Established</b>
A clear, strategic role in the decarbonisation of the local bus fleet	X	X	X
Active Travel England support for constituent authority capability^	X	X	X
Formal partnership with National Highways		X	X
<b>Skills and employment support</b>			
Joint ownership of the Local Skills Improvement Plan model, with Employer Representative Bodies	X	X	X
Devolution of the core Adult Skills Fund	X		
Devolution of non-apprenticeship adult skills functions through a consolidated skills funding pot**		X	X
Central convening of youth careers provision including greater flexibility for Careers hubs		X	X
A clear role in relation to 16-19 education and training		X	X
Responsibility for developing local Get Britain Working Plans	X	X	X
Devolution of supported employment funding**	X	X	X
Co-design of future employment support that is additional to core Jobcentre Plus provision		X	X

<b>Detail</b>	<b>Foundation</b>	<b>Mayoral</b>	<b>Established</b>
Delegated delivery or commissioning of employment support that is additional to core Jobcentre Plus provision			X
Alignment of Jobcentre Plus boundaries with Strategic Authorities			X
<b>Housing and strategic planning</b>			
A duty to produce a Spatial Development Strategy	X	X	X
Strategic development management powers (once the Spatial Development Strategy is in place)		X	X
Ability to raise a Mayoral Community Infrastructure Levy to fund strategic infrastructure (once the Spatial Development Strategy is in place)		X	X
Ability to make Mayoral Development Orders		X	X
Ability to establish Mayoral Development Corporations		X	X
Homes England compulsory purchase powers (held concurrently)	X	X	X
Devolution of wider grant funding to support regeneration and housing delivery**		X	X
Ability to set the strategic direction of any future programme to support affordable housing provision in their area			X



<b>Detail</b>	<b>Foundation</b>	<b>Mayoral</b>	<b>Established</b>
Strategic Place Partnership with Homes England		X	X
Support to establish a public sector land commission			X
<b>Economic development and regeneration</b>			
Partnership working with Department for Science, Industry and Technology and UK Research and Innovation to explore opportunities for closer long-term collaboration in strengthening local research and innovation capacity	X	X	X
Develop joint innovation action plans with Innovate UK to shape long-term strategies and investments		X	X
Embed UK Research and Innovation lead points of contact for enhanced collaborative working on innovation with Mayoral Strategic Authorities that are committed to work collaboratively on innovation		X	X
Responsibility as the accountable body for the delivery of Growth Hubs	X	X	X
Devolution of Growth Hubs funding**			X
A Strategic Partnership with the Department for Business and Trade focused on domestic growth, exports, investment, and delivery of local growth priorities.		X	X

<b>Detail</b>	<b>Foundation</b>	<b>Mayoral</b>	<b>Established</b>
Partnership working with Department for Culture, Media and Sport Arm's Length Bodies to maximise culture, heritage, and sport spending in place	X	X	X
<b>Environment and climate change</b>			
Devolution of retrofit funding this parliament subject to a successful transition period (see 3.7)**			X
Heat network zoning coordination role	X	X	X
Coordinating local energy planning to support development of regional network energy infrastructure	X	X	X
Green jobs and skills coordination role	X	X	X
A strategic role on net zero in collaboration with government, including on Great British Energy's Local Power Plan and Warm Homes Plan	X	X	X
Responsibility for coordinating delivery and monitoring of Local Nature Recovery Strategies^	X	X	X
<b>Health, wellbeing and public service reform</b>			
A bespoke statutory health improvement and health inequalities duty^	X	X	X
Mayors engaged during the Integrated Care Boards chair appointment process		X	X

Detail	Foundation	Mayoral	Established
Mayors as members of local Integrated Care Partnerships, and consideration for position of chair or co-chair		X	X
A role in convening partners and driving cross-cutting public service reform, including looking at areas such as multiple disadvantage	X	X	X
<b>Public safety</b>			
Mayors accountable for the exercise of Police and Crime Commissioner functions where police force and mayoral boundaries align <sup>^</sup>		X	X
Mayors accountable for the exercise of Fire and Rescue Authority functions where fire and rescue service and mayoral boundaries align		X	X
A clear and defined role in local resilience, working with the Local Resilience Forum to embed resilience into broader policy and delivery <sup>^</sup>	X	X	X

**Source:** Ministry of Housing, Communities & Local Government *English Devolution White Paper*, 16 December 2024

# Appendix B

All Strategic Authorities will belong to one of the following levels:

**Foundation Strategic Authorities:** these include non-mayoral combined authorities and combined county authorities automatically, and any local authority designated as a Strategic Authority without a Mayor.

**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.

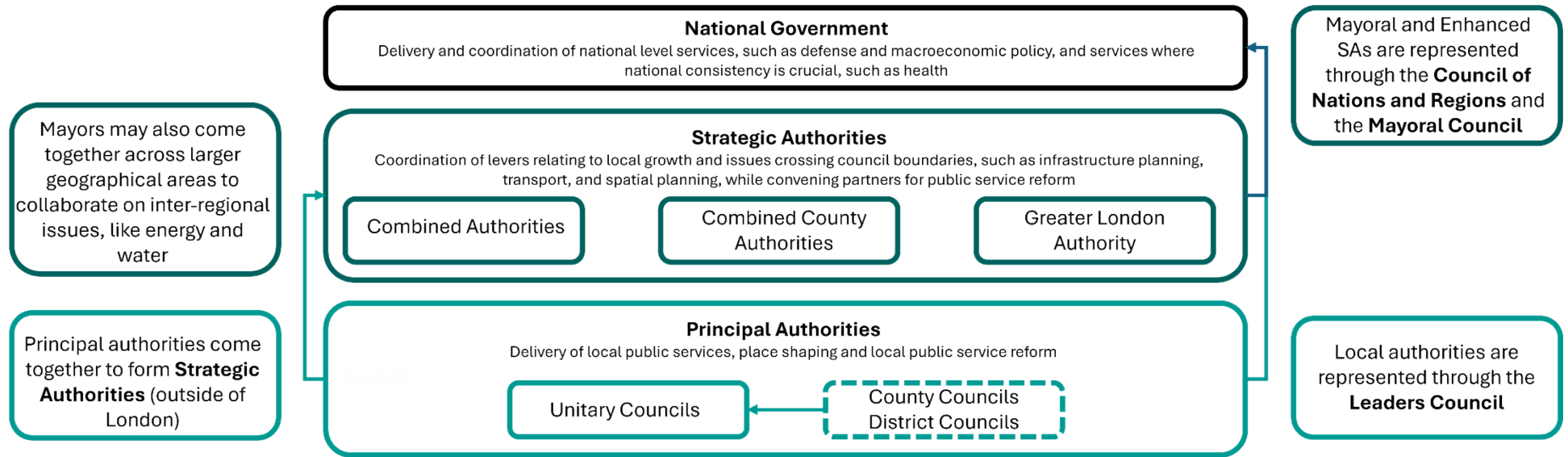
# Appendix C

## Streamlining government: future governance arrangements proposed in the English Devolution White Paper

Policymaking and coordination

Tiers of government

Representation





**Ministry of Housing,  
Communities &  
Local Government**

**Jim McMahon OBE MP**

*Minister of State for Local Government and  
English Devolution*  
2 Marsham Street  
London  
SW1P 4DF

Your reference:

Our reference:

To: Leaders of two-tier councils in  
Oxfordshire

Cherwell District Council  
Oxford City Council  
Oxfordshire County Council  
South Oxfordshire District Council  
Vale of White Horse District Council  
West Oxfordshire District Council

5 February 2025

Dear Leaders

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

**Developing proposals for reorganisation**

We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

### **Supporting places through change**

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.



**Timelines and next steps for interim plans and full proposals**

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

I will expect any full proposal to be submitted **by 28 November**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives. I am also copying this letter to local Members of Parliament and to the Police and Crime Commissioner.

Yours sincerely,

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

**LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007****INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT**

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of Oxfordshire, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **28 November 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.



**F KIRWAN**

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

## SCHEDULE

### Guidance from the Secretary of State for proposals for unitary local government.

#### Criteria for unitary local government

1. **A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.**
  - a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.
  - b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.
  - c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.
  - d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.
  
2. **Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.**
  - a) As a guiding principle, new councils should aim for a population of 500,000 or more.
  - b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
  - c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
  - d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.
  - e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.
  - f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

**3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.**

- a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.
- b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
- c) Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

**4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.**

- a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
- b) Proposals should consider issues of local identity and cultural and historic importance.
- c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

**5. New unitary structures must support devolution arrangements.**

- a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.
- b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.
- c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

**6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.**

- a) Proposals will need to explain plans to make sure that communities are engaged.
- b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

**Developing proposals for unitary local government**

The following matters should be taken into account in formulating a proposal:

### **Boundary Changes**

- a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.
- b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

### **Engagement and consultation on reorganisation**

- a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.
- b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.
- c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.
- d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.
- e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.
- f) Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

## Interim plans

An interim plan should be provided to Government on or before **21 March 2025**. This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

- a) identify any barriers or challenges where further clarity or support would be helpful.
- b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.
- c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.
- e) include early views on how new structures will support devolution ambitions.
- f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.
- g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.