

From: Roger Gough, Leader of the Council

To: **County Council – 9<sup>th</sup> January 2025**

Subject: English Devolution White Paper

Classification: **Unrestricted**

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### **Summary:**

The publication of the English Devolution White Paper on 16 December 2024 provides a definitive policy position from Government in regards to both devolution and local government reorganisation. The Government proposes to establish a Devolution Priority Programme for a limited number of areas which wish to access the benefits of both devolution and local government reorganisation as quickly as possible. The Council is asked to endorse the (executive) decision of Cabinet to submit to Ministers, jointly with Medway Council, a request for Kent and Medway to be included in the Devolution Priority Programme; and to note subsequent commitments this will place on the County Council in regards to establishing a Mayoral Strategic Authority and implementing local government reorganisation.

### **Recommendations:**

County Council is asked to:

- (1) **Endorse** the ongoing joint 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 either 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
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## **1. Background**

1.1 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 (see section 3). The letter is attached to this paper as Appendix A.

- 1.2 The decision to request Kent and Medway be included in the Devolution Priority Programme is a matter for the Executive pursuant to section 7 of the KCC Constitution and the relevant legislation. However, given the wider implications of being accepted on the programme, it is felt the matter should be considered by full Council, before a formal meeting of Cabinet makes the necessary Urgent Decision, if required.
- 1.3 The speed at which significant decisions on the future of local government in Kent and Medway is being required is driven by the Government and its legislative timetable. However, it is worth noting that even in the limited working time available, we have been able to undertake a strong level of engagement with both Medway Council and District and Borough Council Leaders in Kent.
- 1.4 A meeting of Kent Council Leaders was held on the 18<sup>th</sup> 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. KCC remains committed to working constructively and transparently with all partners across Kent and Medway as the full implications of the White Paper become clear.
- 1.6 KCC has long been an advocate for greater devolution to local government, particularly to strategic counties such as Kent that have similar scale in terms of both population and economic output as city-regions. The overt focus on city-regions and areas outside the South East of England in devolution policy over the last decade has meant that national policy has often overlooked the opportunities that can come from devolving to county areas nationally, and in particular to the South East of England, which remains the largest economic region outside of Greater London.
- 1.7 KCC has previously submitted an Expression of Interest in reaching a devolution deal with the previous Conservative Government in August 2022. In September 2024, and jointly with Medway Council, KCC submitted a further Expression of Interest for Kent and Medway to be one of the first areas to agree a new devolution settlement with the new Labour Government. This joint EOI with Medway Council was also supported by a separate letter to Government signed by all 14 Council Leaders in Kent and Medway.

## **2. English Devolution White Paper**

2.1 The English Devolution White Paper sets out an ambitious agenda to reshape local government in England through:

- Broadening devolution so that all areas of England have a devolution settlement
- Deepening devolution, through development of a stronger set of powers and resources available to local areas through the new Devolution Framework published in the White Paper

- Progressing local government reorganisation in two-tier areas to support a move to simpler structures, unlock further devolution and deliver sustainable public services.

2.2 The White Paper sets out the intention of the Government to create a new tier of local government in the form of Strategic Authorities (SAs). Initially, there will be three categories:

- **Foundation Strategic Authorities (FSA)**, which are those strategic authorities *without* a Directly Elected Mayor and comprised only of constituent local authorities.
- **Mayoral Strategic Authorities (MSA)** those comprised of a Directly Elected Mayor and constituent local authorities.
- **Established Strategic Authorities (EMSA)** which is the same as an MSA but has been established for a minimum period of 18 months and meets a number of qualifying criteria to be considered as 'established'.

It should be noted that the expectation set out in the White Paper is that local areas will come together to agree the geography and boundaries of any proposed SA, but that where local agreement cannot be reached, additional powers will be granted to Ministers through the forthcoming English Devolution Bill to mandate the geography of SAs if necessary.

2.3 Over time all SAs will move to becoming Established Mayoral Strategic Authorities. The revised Devolution Framework set out in the White Paper (and attached as Appendix B) lists the devolved powers and functions available to each type of SA covering areas such as transport, infrastructure, skills and employment support, housing, strategic planning, economic development, environment, health and public safety. There is a strong theme of public service reform running throughout the White Paper, with SAs being the mechanism to drive forward a local programme of public service reform and integration.

2.4 The intention of the Government is to prioritise the establishment of MSAs and the Devolution Framework and the devolved funding arrangements are intended to reserve the most significant powers to Established MSAs. Whilst all SAs will have some funding devolved to them, this will be limited to a dedicated local growth allocation for FSA, whereas MSAs will have a consolidated funding pot for local growth, place, housing, adult skills and transport. Only EMSAs will be able to reach an Integrated Settlement on funding with the Government, which will remove any remaining ring fencing of devolved monies and allow local flexibility on funding of priorities. Similarly, only Mayoral Strategic Authorities will become members of the Council of Nations and Regions, allowing local areas to shape future national policy and priorities, and seek specific additional devolved powers by making requests for additional areas to be included in the Devolution Framework.

2.5 The White Paper sets out the criteria for the geography for the creation of SAs, which are:

- **Scale:** Combined population of 1.5 million or above
- **Economies:** Cover sensible economic geographies with a particular focus on functional economic areas and multiple travel to work areas

- **Contiguity:** Geography must be contiguous across its constituent councils
- **No ‘devolution islands’:** Geographies must not create devolution ‘islands’ by leaving areas which are too small to go it alone
- **Delivery:** Effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans
- **Alignment:** Alignment between devolution boundaries and other public sector boundaries
- **Identity:** A vital element of successful devolution is the ability for local residents to engage with and hold their devolved institutions to account – and local identity plays a key role in this.

A Strategic Authority covering Kent and Medway - with circa 1.9m resident population; a GVA of £44 billion which is larger than many city-regions; a track record of delivery across organisational boundaries; nearly all major public services delivered on a Kent and Medway footprint and a strong local, national and international identity as the Garden of England - meets all the criteria set out in the White Paper for the creation of an SA.

### *Local Government Reorganisation*

- 2.6 The White Paper also sets out the Government’s intention for all remaining two-tier local government areas, reorganising existing County and District and Borough Councils into new unitary councils. Reorganisation is intended to both complement and support devolution, with the Government keen to stress they wish to focus on reorganisation where it can unlock devolution opportunities. However, it is also clear that the Government see the inherent benefit of reorganisation in its own right. It will be mandatory for all areas; the choice for local areas relates to the timing and sequencing of reorganisation.
- 2.7 New unitary councils should have a population of 500,000 or more. No upper population limit has been put on the new unitary councils although Ministers have made clear that numbers well in excess of 500,000 will be considered too large to be local enough to residents and communities. Proposals with population limits below 500,000 may be considered only on a case-by-case basis where necessary to enable a wider sensible/rational local government geography.
- 2.8 It should be noted that there is a separate statutory process for the creation of new unitary councils that is different for the creation of SAs, including different consultation and engagement processes and formal decision-making involving all tiers of local councils. As such, the Government make clear that they want all councils in an area to collaborate on developing reorganisation proposals for their area and do not wish to see competing proposals, so as to allow for reorganisation proposals to be agreed and delivered as quickly as possible.
- 2.9 It is expected that in late January 2025 the Government will write setting out further details and a timetable for areas to respond with reorganisation proposals, which will differ depending on whether or not areas are included in the Devolution Priority Programme. Kent Council Leaders have already begun discussions on reorganisation and further work is being taken forward by the Kent Leaders Devolution Working Group. As a collective in Kent and Medway, Kent Council Leaders are committed to working on local government reorganisation collectively and collaboratively with all partners.

### 3. Devolution Priority Programme

3.1 Whilst the Government's overall objective to spread the benefits of devolution to the whole of England, and for all remaining two-tier local areas to undergo local government reorganisation are explicitly clear, there is also acceptance that both central capacity and local discussions and decision-making will impact on the speed at which those objectives can be met.

3.2 However, in recognition that there are areas that will want to achieve the benefits of devolution as quickly as possible, the Government is creating a Devolution Priority Programme for a limited number of areas which will see them prioritised in terms of Ministerial decision-making, departmental support and the necessary legislative process. To be considered for the Devolution Priority Programme, areas must be willing to commit to the following:

- **Creation of a MSA and Mayoral elections:** Areas which are in the Devolution Priority Programme will be committing to the creation of a Mayoral Strategic Authority and holding the first elections for the Mayor by May 2026.
- **Delivery of Local Government Reorganisation:** Areas which are in the Devolution Priority Programme will be committing to delivering local government reorganisation by either April 2027 or April 2028. Areas on the programme will be expected to set out initial reorganisation proposals by March 2025 and detailed proposals by Autumn 2025.

3.3 The 16 December letter from the Minister also set out that he is minded to lay necessary secondary legislation to postpone local council elections from May 2025 for a 12-month period where this will help an area deliver both reorganisation and devolution to the most ambitious timeframe. Any request from areas asking the Minister to consider election postponement is required by 10 January 2025. It should be noted that any decision to postpone council elections is a decision only Ministers can make and requires parliamentary approval through secondary legislation.

### 4. Responding to the White Paper

4.1 The White Paper sets out a clear framework for delivering devolution and makes clear the Government's expectations in terms of governance reforms necessary for areas to access the devolution opportunities and at what pace. It is clear that Kent and Medway has many natural and inherent advantages in terms of its geography, economy, identity and public service boundaries that make it an obvious candidate for the creation of a cohesive and ambitious Strategic Authority. In meetings with Ministers they have encouraged an application to the priority programme from Kent and Medway.

4.2 The immediate response required to the White Paper by the Government imposed deadline of 10 January 2025 is a decision on whether Kent should request to be on the Devolution Priority Programme and whether KCC should request that the council elections scheduled for May 2025 be postponed.

- 4.3 The arguments for requesting Kent be in the Devolution Priority Programme are convincing. Whilst accepting that entry onto the programme commits Kent and Medway to a specific timetable for both establishing an MSA and delivering local government reorganisation, it is clear that all areas will be expected to deliver both agendas over a period of time. The choice on offer from the Government is therefore one of timing and the local shaping of those proposals. Entry onto the priority programme will support stronger and more constructive engagement with Ministers and civil servants in developing proposals in a way that works best for Kent and Medway, as well as earlier access to the benefits of devolution in terms of powers, funding (and funding flexibilities) and a national level voice.
- 4.4 Whilst it is also important to recognise that the implementation challenges of local government reorganisation alongside creation of a Mayoral Strategic Authority are significant, the revised model of local governance envisaged by the White Paper requires *both* a strong Mayor *and* strong constituent authorities, balancing and complementing each other's distinctive roles, to work together within the Strategic Authority to create a new model of effective governance for the area. Local government reorganisation will be mandatory for all areas; delivering it as part of the devolution settlement will allow us to not only create a strong and balanced MSA, but provide the platform for local public service reform that has the potential to reshape and integrate public services across an aligned geography that is simply not as readily achievable in other areas as it is in Kent and Medway.
- 4.5 Perhaps the most compelling argument for joining the priority programme is that it is the quickest route for Kent and Medway to draw down devolved powers and monies from Government to deliver new and reformed services and improvement programmes for benefit of Kent and Medway residents and businesses. Multiple strategic statements from KCC have placed achieving devolution as a key strategic objective of the council, and entry onto the Devolution Priority Programme provides the quickest route to finally meeting that objective from May 2026. This would then give Kent 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 MSA status is primarily an 18 month running period, the sooner Kent and Medway delivers an MSA 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. With more areas opting for devolution and accepting MSAs, and then moving towards 'Established' MSA status relatively quickly, the risk of not seeking Devolution Priority Programme status is that Kent and Medway are further disadvantaged and left behind by an increasing majority of local areas with access to a range of powers and funds that will simply not be otherwise available to Kent and Medway for many years.
- 4.6 Entry onto the programme will also make the clearest possible statement of KCC's intent and ambition. Whilst many details will still be needed to work through, being on the priority programme will provide clarity not only to our residents and businesses, but also the staff across all local councils in Kent and Medway and our wider strategic partners in the public and voluntary and community sectors of our strategic intent. It will provide an anchor point from which to base our engagement and provide a degree of certainty in a period of

significant strategic and structural change that will be inherently unsettling for many organisations and individuals.

4.7 The arguments in regard to any request for the postponement of county elections in May 2025 are complex. Any request by the County Council follows the Minister's letter of 16 December, and the final decision will rest with ministers. As a politically led organisation that derives its legitimacy and executive from an electoral mandate, requesting postponement of elections is inherently counter-intuitive to the instincts of all elected Members. However, there is a very real and practical reason why asking Ministers to consider postponing the elections needs careful consideration.

4.8 The timetable for the delivery of a Mayoral Strategic Authority and the first Mayoral elections in May 2026 is exceptionally tight. The election and, importantly, the limitations imposed on the council by a pre-election period will remove almost a three-month window where the organisation can operate normally, and take the necessary actions and decisions, including supporting a government-led consultation and the negotiations with Government, required to support delivering a devolution settlement by May 2026. Delivering the consultation and holding the county elections on an almost simultaneous timeline would likely prove exceptionally challenging and a newly elected council would have to effectively 'restart' engagement with Government and strategic partners on a timetable already set by national government. Given the fundamental objective of seeking entry onto the priority programme is to deliver the strategic objective of devolution to Kent and Medway as quickly as possible, then continuing with the county elections in this same timeframe would run counter to achieving that strategic objective.

## 5. Recommendations:

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County Council is asked to:

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  - (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
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**6. Relevant Director:**

Amanda Beer, Chief Executive Officer

**7. Report Authors:**

David Whittle, Director of Strategy, Policy, Relationships & Corporate Assurance

Ben Watts, General Counsel

**8. Appendices:**

**Appendix 1:** Letter to all two-tier councils and neighbouring unitary authorities from Jim McMahon OBE MP, Minister of State for Local Government and English Devolution, 16 December 2024

**Appendix 2:** Devolution Framework summary table, reproduced from pp 86-90 of English Devolution White Paper

**9. Background Documents**

***English Devolution White Paper, Power and partnerships: Foundations for growth***, Ministry of Housing Communities and Local Government, 16 December 2024 available at [English Devolution White Paper: Power and partnership: Foundations for growth - GOV.UK](#)