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To: Devolution and Local Government Reorganisation Cabinet Committee, 8 September 2026

Subject: Devolution update

Classification: Unrestricted

Summary:

This paper provides an update on devolution in Kent and Medway. It summarises recent national announcements, including the Cabinet Office's 'Rewiring the State' Cabinet Statement and the forthcoming Devolution White Paper, sets out the case for a Mayoral Strategic Authority for Kent and Medway, describes the Government's known timescales, identifies the questions that remain unresolved, and explains how the work is being taken forward.

Recommendation:

The Cabinet Committee is asked to:

- (1) Note and comment on this update.
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1. Introduction

1.1 The Secretary of State's announcement of 16 July 2026 set out the Government's intended structure for local government in Kent and Medway. The County Council has made its position on that announcement known separately, and matters arising from it remain the subject of continuing correspondence with the Ministry of Housing, Communities and Local Government (MHCLG).

1.2 The area's relationship with central government is a separate question, and one that has been materially reshaped by national policy developments over the summer. This paper provides the Committee with an update on those developments, on the Kent and Medway position, on the case for a Mayoral Strategic Authority, on the questions that remain unresolved, and on the work now in train.

2. The Kent and Medway position

2.1 On 12 February 2026 the Government wrote to all councils whose areas are not in receipt of devolution, inviting them to submit an Expression of Interest to form a non-mayoral Foundation Strategic Authority (FSA) by 20 March. The County Council did not initially submit an Expression of Interest in order to protect the integrity of its preferred reorganisation option, Option 1A, for a single unitary authority. The Council's judgement was that Option 1A could have secured many of the strategic advantages of a Strategic

Authority within a single accountable body. Following the announcement of 16 July, the administration confirmed to Government that its reserve position in relation to Option 1A no longer applied.

2.2 On 21 July 2026 the Leader wrote to the Minister to support and join the Expression of Interest submitted by the other councils in Kent and Medway on 20 March 2026. That letter is at Appendix A.

2.3 On 5 August 2026 the Leaders and Chief Executives of all fourteen councils in Kent and Medway wrote jointly to the Prime Minister, the First Secretary of State and relevant Ministers. The letter confirmed the area's shared support for a Mayoral Strategic Authority and proposed aligning its establishment with LGR, with both changes taking effect on 1 April 2028. That letter is at Appendix B. Civil servants have since confirmed that it satisfies the Government's request, made on 6 August, for a clear statement of local preference by the end of August.

2.4 This is the first time the area has reached a unanimous position on devolution, and it matters more now than it would have done a year ago. During the passage of the English Devolution and Community Empowerment Act 2026, the Government removed its powers to direct the creation of a Strategic Authority or to impose a mayor on an area. It retained only a reserve power to expand an existing Strategic Authority and committed not to use that power for four years after the Act became law. As a result, devolution now rests on local agreement rather than on ministerial direction.

3. 'Rewiring the State' and the Devolution White Paper

3.1 On 31 July the Cabinet Office published an initial blueprint for devolution, 'Rewiring the State'. This preceded the publication of a Devolution White Paper, which will be published alongside the Autumn Budget on 28 October, and a Fiscal Devolution Roadmap.

3.2 The core of 'Rewiring the State' returns to the principles set out in the 2024 Devolution White Paper. It restates the Government's ambition for every area in England to have, or to be in the process of establishing, a Strategic Authority by the end of 2027, with Strategic Authorities in place everywhere by the end of 2028.

3.3 The document confirms the Government's preference for the mayoral model, stating that it wants new Mayoral Strategic Authorities rolled out as soon as possible. This is reinforced by the mayoral premium attached to many of the devolved powers on offer. In a departure from recent devolution policy, areas will be able to start devolution with mayoral status rather than progressing first through the non-mayoral Foundation tier. The Foundation Strategic Authority remains available to areas that are not ready or do not wish to adopt a mayor.

3.4 'Rewiring the State' emphasises that devolution, and a place-based approach to economic policy, is a key driver of economic growth. It extends the devolution agenda to encompass public service reform, and trails wider devolved powers, notably fiscal powers:

- From 2028, Mayoral Strategic Authorities are expected to retain a share of Income Tax receipts to spend locally. Government has indicated that this would substitute for

existing central government grant rather than being additional to it. The distributional consequences, particularly for areas with lower income tax yields, are not yet clear and are expected to be addressed in the Fiscal Devolution Roadmap.

- From April 2027, mayors will be able to retain a proportion of business rates and will have powers to introduce an Overnight Visitor Levy. Whether to apply such a levy in Kent and Medway would be a local decision, subject to consultation.
- Mayors will be able to establish 'Good Growth Funds', modelled on the Greater Manchester Good Growth Fund, bringing together grant, loan and equity investment for housing, employment space, innovation schemes and enabling infrastructure.
- Control over funding for locally tailored technical and vocational routes for 16 to 19 year olds, and a power to procure and provide tailored and specialised support for the long-term unemployed.
- Government will explore whether arm's length body responsibilities and funding should be transferred to local leaders or returned to ministerial departments.

3.5 Government proposes to work with local government to develop a blueprint for the capacity and capabilities Strategic Authorities need, and a strategy for delivering it. This will include ensuring that Strategic Authorities have the right skills and expertise, with the potential for a programme of secondments from central government.

3.6 To drive the agenda the Prime Minister has created the Office for the Prime Minister and the Cabinet (OPMC) and 'No 10 North'. OPMC will oversee No 10 North, which is intended to be the driver of the UK's economy and a conduit to redistribute power and resources across the UK. Responsibility for local economic growth policy and devolution strategy has moved from MHCLG and HM Treasury to OPMC.

4. The case for a Mayoral Strategic Authority for Kent and Medway

4.1 Kent and Medway's devolution case rests on three characteristics that few other areas share: the scale of the economy, a settled devolution geography, and public services that already operate coterminously. The principal opportunities are as follows.

- **Economic growth:** devolution can secure long-term strategic capacity on economic growth. Given the size and scale of Kent and Medway, its proximity to London and its position as the country's gateway to Europe, there is significant opportunity to deliver economic growth through devolved governance, with an impact on the national economy as well as the local one.
- **Planning and infrastructure:** taken at a more strategic level, the area's approach to development and supporting infrastructure would deliver more inclusive and sustainable growth across Kent and Medway communities.
- **Transport:** devolved transport powers would enable Kent and Medway to optimise the delivery of transport systems across the Strategic Authority area, improving economic, social and health outcomes alongside growth and inward investment.

- **Skills and employment:** a Mayoral Strategic Authority would be well placed both to accelerate current activity and to use new powers to develop a joined-up skills system responsive to local and changing workforce needs.
- **Health:** a Mayoral Strategic Authority could accelerate health improvement, using the mayor's strategic oversight and convening powers to identify the actions with greatest impact and to ensure that all partners play their part in interventions spanning public services.
- **International gateway to the UK:** a closer and more agile relationship with Government would enable the county to make better use of its status as the international gateway to the UK, minimising the negative impacts on communities and ensuring that the benefits accrue locally as well as nationally, particularly around Kent's key ports of entry.
- **A strengthened voice with Ministers and Government:** increased representation alongside other devolved areas would ensure that the county's needs on issues of local and national importance are heard.
- **Greater fiscal and policy flexibilities:** Kent and Medway would benefit from the flexibilities provided to areas with devolution, which could be deployed to address outcomes where the area lags behind the rest of the South East and the UK.
- **Delivery of public services:** given the coterminous nature of public services in Kent and Medway, a Mayoral Strategic Authority offers the prospect of a programme of public service reform designed in Kent and Medway for the benefit of Kent and Medway.

Role of the directly elected mayor

4.2 As Government has argued, mayors are uniquely placed to align national, regional and local priorities and to tailor growth, investment and public services to local needs.

4.3 A directly elected mayor for Kent and Medway would:

- act as a strong partner to central government and the ultimate decision maker for Kent and Medway, with a general power to do anything that would promote social, economic and institutional innovation;
- provide a visible single point of accountability for residents, with a strong democratic mandate and a single strategic vision, working alongside the Strategic Authority and the unitary councils to instil a visible sense of civic pride and acting as a direct bridge between local and central government;
- provide a single voice for public service reform. A mayor combines a direct electoral mandate with convening authority across public service boundaries — a combination not otherwise available within the local government structure — together with a mandate to address economic and social disparities across and between the new Kent and Medway unitary councils, border issues, planning and infrastructure;

- play a powerful lobbying and advocacy role with central government and partners, including a seat on the Council of the Nations and Regions and a role in engaging Kent and Medway MPs on local issues;
- provide a central point of transparent accountability for residents and partners, raising the profile of the area nationally and internationally, and with greater autonomy to make bold and rapid decisions;
- act as a strategic convener and commissioner, with the ability to shape and develop markets at scale to secure best value for taxpayers and to influence partners including central government, and to act as an ambassador for Kent and Medway;
- act as a broker between local government and business, providing a single visible point of contact for the business community, a leadership role in the relationship with public and private sector partners, and a stronger position from which to respond to shocks to the local economy;
- act as a strategic place-shaper, developing an integrated economic, infrastructure and social framework with access to a wider range of housing and infrastructure powers.

Public service reform

4.4 Devolution would enable a Strategic Authority for Kent and Medway to secure more cohesive strategy, coordination, commissioning and delivery of public services, extending beyond the economic, transport and infrastructure focus of earlier devolution settlements.

4.5 To support this agenda, Government is proposing to expand the current ability for mayors to create deputy mayors with specific responsibility for key public services such as health, policing and skills; to introduce a place-based approach to budgeting, encouraging greater alignment and pooling of funding so that Strategic Authorities and constituent councils can invest jointly, particularly in preventative services, in a manner comparable to the 'Total Place' approach piloted in 2010; and to align key public service boundaries.

4.6 Unlike many other areas of the country, Kent and Medway's devolution geography is settled and nearly all key public services already operate on a coterminous basis across or within its boundaries. That is the area's distinctive advantage, and it is core to the case for mayoral devolution in the county.

5. Government timescales and processes

5.1 Government has said that the forthcoming Devolution White Paper will set out its devolution agenda in more detail, with a timetable for implementation; plans for legislation and for the devolution of new powers and functions; and the alignment of public service geographies. Because 'Rewiring the State' and previous announcements have widened the Devolution Framework — the schedule of powers and responsibilities available at each tier of Strategic Authority — an expanded Framework will need to be published and, as the powers in the existing Framework are legislated for in the English Devolution and Community Empowerment Act 2026, may require further legislation.

5.2 The known timescales are set out below:

August 2026	Government has written to areas without a Strategic Authority asking whether they wish to proceed with a mayoral or non-mayoral approach, seeking a clear statement of the local position and preference by the end of August. For areas where discussions are already under way, Government will begin these conversations immediately. Government will engage with existing non-mayoral Foundation Strategic Authorities on their thinking about a future mayoralty.
September 2026	MHCLG will hold a Leaders' Council meeting to discuss the devolution agenda. The current Leaders' Council comprises the leaders of national representative bodies only.
From September 2026	Government announcements on the next wave of Strategic Authorities.
28 October 2026	Autumn Budget, Fiscal Devolution Roadmap and Devolution White Paper published.
From April 2027	Mayoral fiscal devolution begins, with a share of business rates and powers to introduce an Overnight Visitor Levy.
May 2027	New wave of Strategic Authorities established, with new mayors elected in Cumbria and in Cheshire and Warrington.
May / June 2027	Next two-yearly Spending Review, confirming arrangements for retained Income Tax from April 2028.
End of 2027	Every area in England to have, or be in the process of establishing, a Strategic Authority.
1 April 2028	Proposed date for the establishment of the four new Kent and Medway unitary authorities and, if agreed, of the Kent and Medway Strategic Authority.
April 2028	Retained Income Tax for Mayoral Strategic Authorities introduced.
May 2028	Further wave of new mayors elected, including in the Devolution Priority Programme areas.
End of 2028	All of England to have Strategic Authorities in place.

5.3 Ahead of the White Paper, several devolution-related developments are in progress. The Devolution Priority Programme areas - Norfolk and Suffolk, Essex, and East and West Sussex - continue to prepare for their new Strategic Authorities and for mayoral elections in May 2028. The Devolution Priority Programme area of Hampshire has

launched the Hampshire and Solent Combined County Authority. Surrey's two new unitary councils are set to form a Foundation Strategic Authority from 1 April 2027.

6. Unresolved questions

6.1 A number of questions bear directly on the process and timetable for establishing a Strategic Authority and remain the subject of continuing discussion with Government:

- Which authorities must formally consent to the creation of a Strategic Authority. The previous Government's position was that consent would come from the new unitary authorities rather than from the existing upper-tier authorities. Civil servants have separately advised that the lead-in time required to create a Strategic Authority through secondary legislation is approximately twelve months. Those two positions are difficult to reconcile with establishment on 1 April 2028.
- Who will undertake the public consultation required before consent decisions can be taken. The previous Government indicated that this was a local responsibility, but Government has since agreed to take responsibility for the Surrey Foundation Strategic Authority consultation.
- Whether the Devolution Framework will be updated to reflect the bespoke powers already granted to existing Mayoral Strategic Authorities, or whether the offer will remain uniform with bespoke arrangements unique to particular areas.
- The full timescales and process Government intends for the roll-out of new Mayoral and Foundation Strategic Authorities.
- When Government will begin engagement with the sector on the capacity and capability blueprint, and how the enhanced programme of secondments from the civil service will operate.

6.2 Beyond these process questions, the full suite of powers available to a Mayoral Strategic Authority will not be known until the Devolution White Paper is published on 28 October. Any position taken before then is taken with incomplete information. That is a real limitation, and it is the principal reason the work described in the following section is proceeding at risk.

7. Taking Devolution Forward

7.1 Devolution sits as a workstream within the Kent and Medway LGR programme and follows its governance arrangements. The Devolution Priority Activity Group (DPAG), jointly led by the County Council's Director of Strategy and Policy and Medway Council's Director of Place, and including the Chief Executives of Ashford Borough Council, Folkestone and Hythe District Council and Gravesham Borough Council, acts as the strategic steering group. DPAG reports to the Kent and Medway LGR Programme Board, and the work is subject to political oversight by Joint Kent Leaders.

7.2 Given the pace Government has set and this area's ambition to secure a settlement quickly, it is not realistic to await ministerial confirmation before beginning the work

required to establish a Mayoral Strategic Authority. Key elements will therefore proceed on immediately, meaning that officer time and, where necessary, commissioned resource will be committed before Ministers have confirmed either that a Mayoral Strategic Authority for Kent and Medway will be supported. Nonetheless proceeding now signals the seriousness of all fourteen councils' intent whilst supporting the ambition for a Strategic Authority to be in place for 1 April 2028.

8. Recommendations

8.1 The Cabinet Committee is asked to:

- (1) Note and comment on this update.

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Appendices

Appendix A - County Council letter joining the Expression of Interest for a Foundation Strategic Authority for Kent and Medway, 21 July 2026.

Appendix B - Kent and Medway Leaders' and Chief Executives' letter to the Prime Minister supporting a Mayoral Strategic Authority, 5 August 2026.

Background documents

'Rewiring the State', Cabinet Statement, Cabinet Office, 31 July 2026.

English Devolution White Paper: Power and Partnership, Foundations for Growth, MHCLG, December 2024.