

Supplementary Agenda



Meeting name	Meeting of the Cabinet
Date	Tuesday, 14 January 2025
Start time	4.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH
Other information	This meeting is open to the public

Meeting enquiries	Democratic Services
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5.	DEVOLUTION WHITE PAPER A report on the Devolution White Paper.	31 - 38

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English Devolution White Paper

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Chief Officer Responsible:	Edd de Coverly , Chief Executive edecoverly@melton.gov.uk
Lead Member/Relevant Portfolio Holder	Cllr Pip Allnatt, Leader of the Council

Corporate Priority:	All Corporate Priorities
Wards Affected:	All Wards
Date of consultation with Ward Member(s):	N/a
Exempt Information:	No
Key Decision:	No
Subject to call-in:	N/a

1 Summary

- 1.1 On 16th December 2024 the [English Devolution White Paper](#) was published. The document sets out the Government's ambition to devolve powers and funding to the regions and establish Strategic Mayoral Authorities in all areas where they are not currently in place. Alongside plans for devolution, the Government has confirmed that it wishes to simplify local government structures below these new regional strategic authorities, and for two-tier areas, invite reorganisation proposals which facilitate unitary local government.
- 1.2 This report provides a summary of the contents of the White Paper, and seeks delegated authority for the Chief Executive, in consultation with the Leader of the Council, to undertake any necessary work required in the initial response, with a view to providing a further report to Cabinet on the implications and next steps.

2 Recommendations

That Cabinet:

- 2.1 **Notes the contents of the English Devolution White Paper and endorses the Council's initial response as set out in 5.17.**
- 2.2 **Delegates authority to the Chief Executive, in consultation with the Leader of the Council, to continue working with neighbouring local authorities, and undertake any work required to enable a full appraisal of the options and implications; ensuring an effective response to the White Paper.**
- 2.3 **Delegates authority to the Chief Executive, in consultation with the Director for Corporate Services, to access the Corporate Priorities Reserve for up to £30k (outside any constitutional limits) in support of recommendation 2.2.**
- 2.4 **Notes that a further report will be provided to Cabinet setting out further details as they emerge, including consideration of options and implications, and any proposed next steps.**

3 Reasons for Recommendations

- 3.1 To enable the Council to engage in further discussions with local authority partners and undertake any necessary work to support an appropriate response to the White Paper.

4 Background

- 4.1 The [English Devolution White Paper](#) was published on 16 December 2024. The White Paper sets out the Government's aspirations to devolve powers and funding from central government to the new regional Strategic Authorities which would be overseen by a directly elected Mayor. The White Paper also confirms the Government's ambition to simplify local government structures by replacing existing two-tier structures of County and District councils with unitary councils which would deliver all council services.
- 4.2 The Government has confirmed that it will be inviting proposals for both devolution and Local Government Reorganisation from all relevant areas. Further details on the considerations for such proposals are set out below.

5 Main Considerations

- 5.1 In terms of Devolution, the White Paper sets out an ambition for all regional areas to have a Mayoral Strategic Authority (MSA - formerly known as Combined Authorities).
- 5.2 This would enable all areas to benefit from being represented by a directly elected Mayor at the Council of Nations and Regions, as well as the potential to unlock significant funding for investment through a devolution agreement.
- 5.3 The sorts of powers and functions that would likely be held by an MSA would include:
 - a) Transport and local infrastructure
 - b) Skills and employment support
 - c) Strategic Housing and Strategic Planning
 - d) Economic development and regeneration
 - e) Environment and Climate change
 - f) Health, wellbeing and public service reform
 - g) Public safety

- 5.4 The White Paper sets out the principles by which all proposals for devolution and establishing an MSA would be considered including:
- a) Scale – generally a population of 1.5m or more, but in some areas smaller geographies will be considered.
 - b) Economics – strategic authorities must cover sensible economic geographies.
 - c) Contiguity – where the external boundaries of an MCA must ultimately align with the constituent councils within it.
 - d) No devolution islands – areas cannot be left which are then too small to be involved in devolution.
 - e) Delivery – should ensure effective delivery of strategic planning, transport plans etc
 - f) Alignment – enable alignment with other public services (police, fire, health etc).
 - g) Identify – enabling residents to properly engage with devolved institutions.
- 5.5 The Government will invite local areas (primarily upper tier authorities) to submit proposals for devolution, but as part of an anticipated English Devolution Bill, will seek to legislate for a ministerial direction to mandate areas that have, after due time has been allowed, been unable to agree a way forward.
- 5.6 In terms of establishing simpler structure for local government, or local government reorganisation (LGR) as it is often called, the Government has advised that they wish to address the long-standing structural funding issues within local government and create larger, more resilient organisations which would also deliver efficiency savings. They also assert that this would help to reduce workforce pressures and enable better alignment with other public services e.g. health, fire, police etc.
- 5.7 The Government has advised that it will not impose reorganisation but has set out the following expectations:
- a) All two-tier areas will be invited to submit proposals for reorganisation and that all should reorganise during this parliament. Smaller existing unitary councils that are ‘struggling’ will also be invited to be part of this process.
 - b) A phased approach will be undertaken with some areas included in a Priority Programme (see 5.9 below)
 - c) All councils (and all tiers) in an area are expected to contribute to the development of any unitary proposals and ideally there should not be competing bids.
 - d) Any new unitary councils should be based on a population size of at least 500k, but the government will consider smaller proposals based on local circumstances. No detailed rationale has been provided for this ‘benchmark’ other than the requirement for any new organisations to be of sufficient scale to ensure financial stability and resilience.
 - e) No other specific criteria have yet been provided but any proposals will need to demonstrate sufficient resilience for social care and SEND responsibilities.
- 5.8 The Government will write directly to all councils in an area (including Melton Borough Council) by the end of January setting out more details for the basis upon which proposals will be considered.

5.9 **Timescales**

- 5.10 The Government provided an initial deadline of 10th January 2025 to hear from upper tier councils (existing unitary and county councils) who wished to be part of the 'Priority Programme' to facilitate fast track proposals for Devolution.
- 5.11 Unanimous consent of all affected upper tier councils is a requirement for any Devolution proposals and therefore entry into the Priority Programme.
- 5.12 Those councils facing elections in May 2025 were also invited to submit requests for those elections to be cancelled by the same deadline. This would be justified either through a request to enter the priority programme for devolution, or where reorganisation of local government is needed to enable devolution.
- 5.13 Confirmation on the status of the forthcoming elections in May, and which areas have been included in the Priority Programme, should be received by the end of January.
- 5.14 Initial proposals for LGR are requested by March 2025, with final proposals for those within the Priority Programme, or where LGR is required to unlock devolution, needed by May 2025, and all other areas by Autumn 2025.

5.15 **The Current Position**

- 5.16 On Thursday 9th January 2024, Leicestershire County Council issued a [press statement](#) confirming that they had requested the Government to postpone elections planned for May 2025 on the basis that reorganisation of local government is required to unlock or enable devolution.
- 5.17 On Friday 10th January 2024, the Leaders of Rutland County Council and the 7 Leicestershire District and Borough Councils issued a [joint statement](#) expressing concern about the proposal. A joint letter signed by the Leaders has also been sent to the Minister at MHCLG, setting out a number of points, including:
- a) That the opportunity to devolve power and funding to the regions is welcome.
 - b) That a Mayoral Strategic Authority should be proposed for Leicester, Leicestershire and Rutland, but that this should be conditional on the right approach to LGR.
 - c) That the councils are open to meaningful and productive discussions on structural change, but are concerned that any proposal for a very large council over a wide and diverse geographic area has the potential to be too remote and inaccessible.
 - d) Any change should be based on evidence, a broad consensus and support from local communities and businesses. Accordingly any credible options should be given time to be explored further and properly assessed.

5.18 **Other elements of the White Paper**

- 5.19 The White Paper included a number of other aspects which will impact on the Council and which will also require a response; including:
- a) Reform of local external audit with a view to rebuilding the wider assurance framework
 - b) Closure of the Office for Local Government (OfLog)
 - c) Intentions to introduce a mandatory Code of Conduct for Councillors and to reestablish a national body to deal with the most serious standards cases
 - d) Empowerment of Councils to disqualify councillors if they are subject to suspension more than once

- e) Creating opportunities for elected members to attend meetings remotely and enabling proxy voting
- f) An intention to remove the legal requirement for an elected member's home address to be published.

6 Options Considered

- 6.1 The report asks Cabinet to note the contents and to empower the Chief Executive and Leader of the Council to continue discussions with neighbouring authorities about how best to respond and bring back a further report. It is important to proactively engage with this process to secure the best outcome for our communities, stakeholders and staff and therefore no alternative options are proposed.

7 Consultation

- 7.1 Initial written briefings on the White Paper were provided to all members and staff in December 2024. Further verbal briefings will take place in January 2025 and will continue as the situation develops.

8 Next Steps – Implementation and Communication

- 8.1 In seeking to establish a local response, the Chief Executive and Leader will continue to meet with and work with colleagues from across Leicester, Leicestershire and Rutland. In line with the expectations set out in the White Paper, efforts will be made to establish a consensus for the region based on an evaluation of the options available. Where necessary, officer working groups and external expertise will be commissioned to support the development of any proposals.
- 8.2 Regular briefings will continue to be held with all members and officers.

9 Financial Implications

- 9.1 In order to support the continued working with neighbouring local authorities, and undertake any work required to enable an effective response to the White Paper there will be a requirement to ensure sufficient resources are provided to ensure this is done appropriately. As a consequence some additional funding may be required to this with an initial allocation up to £30k. It is proposed to be funded from the Corporate Priorities Reserve which has a sufficient balance at present to support this.
- 9.2 In the long term any impacts of local government reorganisation will have a significant impact on the finances of the Council but during that period of time it is still important that financial prudence and effective management of council finances are at the forefront of any decision making.

Financial Implications reviewed by: Assistant Director for Resources, Deputy s151

10 Legal and Governance Implications

- 10.1 As indicated in the body of the report, publication of the White Paper is a statement of intended policy which will require enactment of further legislation to achieve. As with any such proposal, it is possible that the detail of any legislation which is ultimately passed will vary to some extent from those initial proposals; any variations may be influenced by the sector's responses to the White Paper.
- 10.2 As is the case with existing legislation relating to local government reorganisation, it is likely that primary legislation (i.e. an Act of Parliament) will be passed establishing a

framework and timescale for proposals to be considered, following submission and determination of which, secondary legislation will set out detail of the changes for each area and when those changes take effect.

- 10.3 Any legislation relating to other matters in the White Paper such as the standards regime is likely to be implemented at the same time for all local authorities regardless of the stage that they have reached in the devolution and reorganisation process.

Legal Implications reviewed by: Monitoring Officer.

11 Equality and Safeguarding Implications

- 11.1 There are no direct equality and safeguarding implications arising from the recommendations in this report, though any proposals for devolution or LGR will require impact assessments to be undertaken.

12 Community Safety Implications

- 12.1 There are no direct community safety implications arising from the recommendations in this report, though any proposals for devolution or LGR will need to consider the impacts on community safety and demonstrate the obligations under section 17 of the Crime and Disorder Act continue to be met.

13 Environmental and Climate Change Implications

- 13.1 There are no direct environmental and climate change implications arising from the recommendations in this report, though any proposals for devolution or LGR will need to consider the impacts and ensure obligations continue to be met.

14 Human Resources Implications

- 14.1 The White Paper represents the biggest proposed change to local government for 50 years. Any change to local government, and the organisational structures within it, will have significant HR implications. These will need to be set out and considered in detail in relation to any proposals which are developed. All staff will need to be properly engaged and supported through any changes and the Council must focus on ensuring continued delivery of services and projects and a business as usual approach until and unless such as a time any transition or change is required.

15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	No consensus can be reached on the right approach for devolution and LGR across Leicester, Leicestershire and Rutland, and the benefits of devolution locally are not realised.	Significant	Critical	Medium
2	Focus and resources diverted to support the development of devolution and LGR proposals lead to an inability to deliver existing corporate priorities.	High	Critical	High
3	Uncertainty relating to any potential changes leads to loss of key staff and	High	Critical	High

	erosion of organisational integrity and effectiveness.			
4	Perception from residents that any proposals will create organisations which are too remote from local communities and reduce accessibility	Significant	Marginal	Medium
5	Perception that any proposals will erode democratic accountability due to the reduction in elected members	Significant	Marginal	Medium

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High			2, 3	
	4 Significant		4, 5	1	
	3 Low				
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	A number of initial meetings have taken place between various local authorities within LLR and further meetings will take place. Officer working groups will be established as required to jointly develop and shape proposals.
2	Additional resources will be initially allocated to support the development of any proposals but a review will also need to be undertaken of existing priorities and some work may have to be de-prioritised. A further update will be provided to Cabinet on the impact of this as part of a subsequent report. The impact of the Devolution White Paper will be added to the Council's Strategic Risk Register.
3	An effective communications plan will need to be developed and within that the opportunities created for development and career diversification by any potential changes will need to be emphasised. The importance of engagement and opportunities for colleagues to shape any proposals will also be key as will the recognition that whatever the shape of local government in future, the services provided today will still be required. Visible, consistent and effective professional and political leadership will need to be maintained throughout.
4	Any proposals will need to consider the impact on community access and engagement and be able to demonstrate how services will continue to be tailored to local areas, even when delivered more remotely.

5

Any proposals will need to demonstrate how local democratic accountability and connection will be maintained.

16 Background Papers

16.1 [English Devolution White Paper](#) published 16 December 2024

17 Appendices

17.1 None