



Devolution White Paper

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| Report Author: | Edd de Coverly , Chief Executive edecoverly@melton.gov.uk |
| Chief Officer Responsible: | Edd de Coverly , Chief Executive edecoverly@melton.gov.uk |
| Corporate Priority: | All Corporate Priorities |
| Relevant Ward Member(s): | All wards |
| Date of consultation with Ward Member(s): | N/A |
| Exempt Information: | No |

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 summarises the key parts of the White Paper in relation to devolution and reorganisation, and provides an opportunity for all members to engage in the process and share their views. The White Paper includes a number of other proposals, which are referenced in paragraph 5.22, but which are outside the focus of this report.

2 Recommendations

That Council:

- 2.1 **Notes the current position and the Council’s initial response to the Devolution White Paper.**
- 2.2 **Notes the criteria and process set out by government for submitting and evaluating proposals for local government reorganisation, and the legal framework within which it operates.**
- 2.3 **Provide views on devolution and local government reorganisation such that they can be incorporated into the development of initial ideas and interim plans.**

3 Reason for Recommendations

- 3.1 To inform members about the contents and implications arising from the Devolution White Paper and enable them to contribute to the process and share their views on devolution and local government reorganisation in relation to Melton.
- 3.2 To ensure the Council most effectively seeks to ensure that devolution and local government reorganisation are delivered in a way which best supports the council's communities, stakeholders and staff.
- 3.3 There is no decision required at this stage, and in accordance with the legal advice set out in section 10, negotiations on behalf of the council regarding devolution and local government reorganisation are an executive function. Nevertheless, this is a matter of profound significance and local interest and it is therefore important for members to have an opportunity to share their views in public and support and inform the Leader's continuing discussions with other local authorities, partners and government.

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 This report summarises the contents of the White Paper and provides an update on the initial response and next steps as prescribed by government.

5 Main Considerations

- 5.1 In relation to 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 been clear that it expects all two-tier areas to submit proposals for reorganisation, and that all should reorganise during the life of this parliament. Smaller existing unitary councils that are 'struggling' will also be invited to be part of this process.

5.8 **Initial Response since publication of the White Paper**

5.9 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.

5.10 Unanimous consent of all affected upper tier councils is a requirement for any Devolution proposals and therefore entry into the Priority Programme.

5.11 Those councils facing elections in May 2025 were also invited to submit requests for those elections to be postponed 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.

5.12 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, in their view, reorganisation of local government was required to unlock or enable devolution.

5.13 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 was 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.
- 5.14 On 14th January 2025, Cabinet received a [report](#) setting out the position at the time, and endorsed the action initially taken by the Council and delegated authority to the Chief Executive, in consultation with the Leader, to continue working with neighbouring local authorities. To support the council's initial response, a budget of £30k was allocated to undertake any work required to enable a full appraisal of options and implications, and to ensure an effective response to the White paper.
- 5.15 On 5th February 2025, the Secretary of State confirmed [which areas were to be included](#) on the Devolution Priority Programme and which areas would have their elections cancelled. As part of this process, it was confirmed that Leicestershire would not have its elections cancelled and that these would proceed as planned in May 2025. This meant that Leicestershire would not therefore be part of a fast-tracked process.
- 5.16 On the same day, the Minister of State for Local Government and English Devolution [wrote to the Leaders of all 10 two-tier council and unitary council in and neighbouring Leicestershire](#) formally inviting proposals for reorganisation; setting out further details on the criteria and the timeline for the process.
- 5.17 The letter confirmed the following:
- a) An expectation that local leaders work collaboratively and proactively to develop robust and sustainable unitary proposals that are in the best interests of the whole area.
 - b) That every effort will be made to work together to develop and jointly submit one proposal for unitary local government across the whole of your area; recognising that this may be for one or more new unitary councils and that they should be complementary to devolution plans.
 - c) Where, despite their best efforts, councils in an area are unable to jointly develop and submit proposals, this will not be a barrier to progress and the government will consider any suitable proposals submitted by relevant authorities.
 - d) Interim plans should be submitted before 21st March 2025.
 - e) Full proposals should be submitted by 28th November 2025.
- 5.18 A decision as to whether implement a proposal is a matter for the Secretary of State, and the necessary legislation agreed by parliament.
- 5.19 Indicative timescales have subsequently been provided which suggest that following submission of proposals, the government would undertake formal consultation on proposals between January – April 2026, before making a decision May – August 2026 and then laying the necessary legislation. It is then assumed that Shadow elections for any new unitary councils would take place in May 2027, with the new unitary councils going live from April 2028.
- 5.20 The letter also set out guidance in relation to the criteria against which proposals would be evaluated; specifically proposals should:

- a) Be for a sensible geography and economic area which helps to increase housing supply and meet local needs.
- b) Be supported by robust evidence and analysis and demonstrate how it will be the right size to achieve efficiencies, and withstand financial shocks.
- c) Aim (as a guiding principle) for a population of 500,000 or more, whilst recognising there may be scenarios in which this figure does not make sense for an area (including on devolution), and this rationale should be set out in the proposal.
- d) Prioritise the delivery of high quality and sustainable public services to citizens, demonstrating how they will improve service delivery and avoid unnecessary fragmentation of services.
- e) Set out opportunities for wider public service reform leading to better value for money.
- f) Give consideration to impacts for crucial services like social care, SEND and homelessness.
- g) Demonstrate how councils have sought to work together and how their proposals are informed by local views; considering issues of local identity, and cultural importance.
- h) Support devolution arrangements and how this will be unlocked; ensuring there is a sensible population ratio between local authorities and strategic authorities.
- i) Enable stronger community engagement and deliver neighbourhood empowerment.

5.21 The letter confirms the following should also be taken into account:

- a) Boundary changes: district areas should be considered the building blocks for proposals, but more complex boundary changes will be considered where there is a strong justification to do so.
- b) Local leaders are expected to work together and share information, rather than developing competing proposals. Engagement with MPs and local partners, stakeholders and residents should also take place.
- c) Once a proposal has been submitted, it will be for the government to decide on whether to take a proposal forward and to consult as required by statute.

5.22 **Other elements of the White Paper**

5.23 The White Paper included a number of other aspects which will impact on the Council and which will also require a response. These are beyond the scope of the focus of this report and are not considered in detail, but merely noted below: They include:

- 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 Council to note the contents, criteria and timescales regarding the development of proposals. There is no decision required at this stage and therefore no alternative options proposed.

7 Consultation/Engagement

- 7.1 Initial written briefings on the White Paper were provided to all members and staff in December 2024. Verbal all staff and all member briefings took place in January 2025. This Council meeting provides an opportunity for members to express their views in public. Government guidance confirms that proposals will require widespread engagement and ultimately formal consultation. This will be taken forward as part of the process.

8 Next Steps – Implementation and Communication

- 8.1 The Leader and Chief Executive continue to meet and work with colleagues from across Leicester, Leicestershire and Rutland. Efforts will be made to establish a consensus for the region in line with the expectations set out within White Paper and subsequent guidance. Where necessary, officer working groups and external expertise will be commissioned to support the development of any proposals.

9 Financial Implications

- 9.1 The only direct financial implication to date has been the allocation of £30k from the Corporate Priorities Reserve which can be drawn down through a delegation to support the work required to enable an effective response to the White Paper. As proposals develop however it is likely that further direct funding may be required to work up more fully formed proposals. In addition to direct costs significant resources are already and will continue to be diverted to support the necessary work required to develop and evaluate options.
- 9.2 In the 5th February Ministerial Letter it states; “It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete... 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.
- 9.3 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.
- 9.4 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.”
- 9.5 Whilst proposals are developed it is important to continue to operate the Council as a going concern and ensure continued prudent financial management of the Council’s finances.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 The Local Government Act 2000 states that, unless a function is specified in regulations setting out how it is to be exercised, all functions are the responsibility of the executive of a local authority, i.e., for Melton Borough Council, the Cabinet. At present there are no regulations specifying that matters relating to devolution or reorganisation are not to be an executive function, meaning that they fall within Cabinet's remit.
- 10.2 It may be that, as the proposals set out in the White Paper are refined and passed into law, that legislation prescribes how the process of making formal proposals is to be discharged by local authorities, in which case the Council will ensure that amended decision-making process is followed. Unless or until that time the function will be the responsibility of the Cabinet and, in the absence of any delegation to other Cabinet members or officers to the contrary, the responsibility of the leader.
- 10.3 Whilst currently the function sits with the Leader, it is a lawful and reasonable for him to consult with the Council as a whole (and other stakeholders) and consider the views raised when making any decision in relation to this issue.

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 erosion of organisational integrity and effectiveness. | High | Critical | High |
| 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 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 Links provided in the report to:

- a) English Devolution White Paper
- b) Letter from Minister to Leaders of Leicester, Leicestershire and Rutland

17 Appendices

17.1 None