



OFFICER REPORT TO COUNCIL

English Devolution White Paper

KEY ISSUE/DECISION:

This report outlines the opportunities arising from the [English Devolution White Paper](#) published on 16 December 2024, and the requirements on Surrey County Council set out in a letter sent to the Leader of the Council from the Minister of State for Local Government and English Devolution on the same day (see Annex 1).

The Council is asked to note that the Leader intends to respond to the Minister expressing the council's interest in pursuing a joint programme of devolution and local government reorganisation (Annex 2), and that acceptance onto the government's programme to deliver both reorganisation and devolution to the most ambitious timeframe may lead to the postponement of the 2025 county council elections. Council is also asked to note that the decision to respond to the letter of 16 December 2024 is an Executive function.

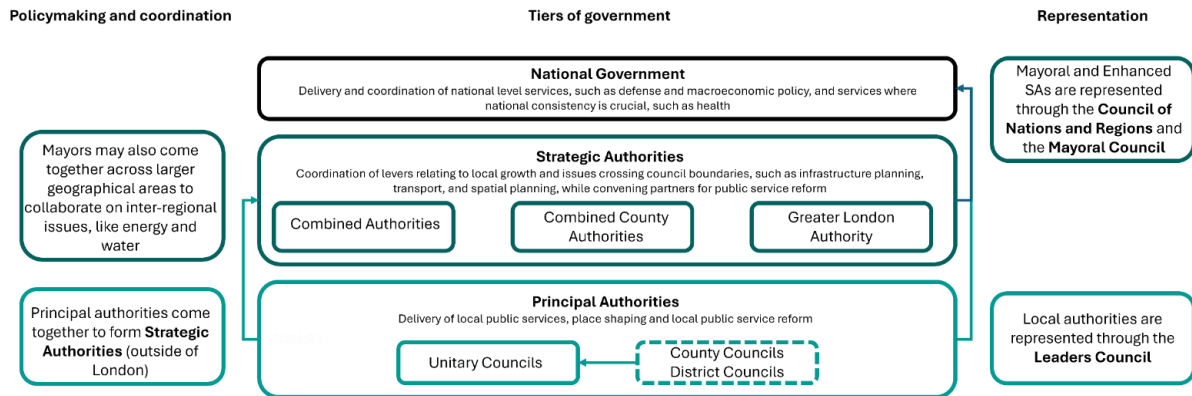
BACKGROUND:

Context

1. Surrey County Council has long advocated for devolution of powers and funding from central government to the county to ensure more decisions are made locally to deliver greater benefits for residents. In March 2024, the council agreed a non-Mayoral, foundational (Level 2) [Devolution Deal](#) with government and progressed work with government departments to implement the devolved functions and funding.
2. On 16 December 2024, the government published the [English Devolution White Paper](#), setting out an ambitious vision for deepening and widening devolution across England. The White Paper details criteria for devolution, an approach to progressing local government reorganisation (LGR) to unlock further devolution and a move to a system of local government that prioritises high quality, sustainable public services.

English Devolution White Paper Overview

3. The White Paper establishes a new tier of local government: Strategic Authorities (SAs). There are three categories - Foundation Strategic Authority (FSA), Mayoral Strategic Authority (MSA) and Established Mayoral Strategic Authority (ESA). SAs should be developed collaboratively with places wherever possible, but the English Devolution Bill will legislate for a parliamentary directive to allow the creation of SAs. This will only be used where local leaders are unable to make progress after sufficient time has been allowed for local proposals to be developed.
4. Details are set out in the White Paper of the types of responsibilities and funding that will be available to these SAs (Annex 3). The initial proposed list includes, 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, and public safety.
5. SAs will also have funding devolved to them. FSAs will receive a dedicated local growth allocation. MSAs will have consolidated funding pots across local growth, place, housing and regeneration, non-apprenticeship adult skills and transport. ESAs are eligible for an Integrated Settlement which will allow established Mayors to set their own funding priorities based on local need and context.
6. Government is prioritising the establishment of MSAs with more directly elected Mayors across England, to create visible leadership and greater accountability. Areas with Mayors (MSAs and ESAs) will have access to the most extensive and flexible devolution.
7. Beyond access to further devolved powers and funding, Mayoral Authorities will be invited to participate in the Council of Regions and Nations, chaired by the Prime Minister, and the Mayoral Council, chaired by the Deputy Prime Minister. These forums will allow Mayors to collaborate with other devolved authorities and central government on national and local policy coordination and delivery. The figure below sets out how the government sees the different tiers of government working together.



8. The paper also confirms that government is discontinuing the individual local authority mayoral devolution model, stressing the importance of having a Mayor and Council Leaders with distinct and separate roles in place.
9. A SA must cover a sensible economic area, be contiguous across its constituent council's boundaries, not create any devolution islands, be able to deliver key functions and delivery plans, and be an identifiable area for residents to engage with.
10. In addition, the geography of a SA should have a comparable scale to other existing institutions. The government's assumption is a population of 1.5 million or above, but notes that in some places smaller authorities may be necessary. At present the county has a population of just over 1.2 million, however with more than £50 billion in Gross Value Added (GVA) delivered every year, it ranks favourably with existing Combined Authority footprints for local economic output (see Annex 4). The council's existing devolution deal was also agreed on the Surrey footprint.
11. Government has set out its ambition to realign public authority boundaries, ensuring that over time public services are delivered on the same footprint as SA boundaries. The county of Surrey is currently the footprint for the police, fire and rescue, and the majority of the health service, as well as many voluntary, community and social enterprise organisations, in addition to county council functions. Furthermore, a number of countywide strategies and plans are already in place covering many of the devolved responsibilities that SAs will assume.

Local Government Reorganisation (LGR)

12. The White Paper announces that government will facilitate a programme of reorganisation for two-tier local government areas. Delivery will be phased, taking account of where LGR can unlock devolution and where areas want

to proceed at pace. New unitaries are to be delivered in April 2027 and 2028, with shadow elections taking place earlier. The paper sets out that re-organisation should not delay devolution and devolution plans should complement LGR.

13. The government's priorities in LGR are:

- a) New councils should be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas government believes this will mean creating councils with a population of 500,000 or more. There may be exceptions to ensure new structures make sense for an area, agreed on a case-by-case basis.
- b) High quality and sustainable public services to citizens and communities should be prioritised.
- c) New councils should take a proactive and innovative approach to neighbourhood involvement and community governance to empower residents.
- d) All councils in an area should collaborate on developing unitary proposals in the best interests of a whole area, rather than producing competing proposals.
- e) Councils should work with government to bring about changes as swiftly as possible.
- f) Governance models for local authorities to best support decision-making.

14. LGR in Surrey would provide an opportunity for more streamlined and cost-effective services, enabling the achievement of efficiencies and better outcomes for communities. There are already strong community engagement arrangements in place in Surrey which the reforms can build upon. For example, the council has taken a proactive approach to community involvement through the towns and villages approach within the 27 towns and two groupings of villages, with multidisciplinary partnerships working across local government, health, the voluntary, community and faith sector and community safety with residents.

Responding to the English Devolution White Paper

15. On the 16 of December, following the release of the White Paper, the Minister for Local Government and English Devolution wrote to all council leaders in two-tier areas. The letter to the Leader of Surrey County Council (Annex 1) invites upper-tier areas to express an interest in pursuing a joint programme of devolution and local government reorganisation and recognised that two-tier areas who wish to receive further devolution may need to engage in LGR to meet the government's devolution criteria.

16. The Minister stated that he is minded to lay secondary legislation to postpone local council elections from May 2025 to May 2026 where this will help an area to deliver both reorganisation and devolution to the most

ambitious timeframe. The Minister set out two scenarios where he would be willing to postpone elections:

- a) Areas who are minded-to join the Devolution Priority Programme, where they will be invited to submit reorganisation proposals to government by Autumn 2025.
- b) Areas who need reorganisation to unlock devolution, where they will be invited to submit reorganisation proposals to government by May 2025.

17. For the Minister to lay the relevant legislation to postpone elections, a clear commitment to devolution and reorganisation alongside a request for election postponement is required from upper-tier councils to be submitted to the Minister by 10 January 2025.

18. The Leader of the Council is minded to respond to the Minister by 10 January deadline, expressing an interest in pursuing a joint programme of devolution and local government reorganisation, and requesting that the 2025 Surrey County Council election be postponed (draft letter is in Annex 2). This will enable the Leader to work with District and Borough Leaders to develop a proposal for local government reform that will unlock the benefits of further devolution for Surrey. Discussions with District and Borough Leaders and Chief Executives about how best to respond to the White Paper have started, including a meeting on 7 January about the implications and opportunities presented. A representative working group of district and borough Leaders, Chief Executives and MPs alongside Surrey County Council will be established to progress those discussions.

19. A postponement of the county elections will also allow time to give consideration in any business case to how we can best manage the unique, significant financial risk of the level of debt currently held across the Surrey local government footprint. Any proposals for local government reorganisation will need to adequately consider how to ensure the sustainable operation of any new authority/ies without ongoing exceptional financial support from Government or a level of write off.

20. Based on information provided by government to date, the anticipated likely timeline for the development and delivery of proposals for Surrey would be:

10 January 2025	Letter submitted to Minister of State requesting election postponement
Before March 2025	Minister's response to letter received
March 2025	Interim LGR proposal submitted to government
May 2025	Full LGR proposal submitted to government
May – June 2025	Government evaluates proposal(s) received for LGR and makes a decision on whether to proceed on a

	single proposal, or to consult further on one or more proposals
July 2025	Government consultation with affected bodies on LGR proposal(s)
Autumn 2025	Government decision on LGR anticipated, which begins statutory process to establish new council(s)
January 2026	Parliamentary process begins to lay Statutory Instruments
May 2026	Elections to shadow unitary authority/ies
Spring 2027	New unitary/ies 'go live'
Spring 2027 or 2028	Mayoral elections and Mayoral Strategic Authority 'go live', with the preparations for the establishment of the MSA taking place throughout 2026/27, or Surrey joins MSA with neighbours

RECOMMENDATIONS:

The Council is asked to:

- a) Note that the Leader will respond to the government expressing this council's interest in pursuing a joint programme of devolution and local government reorganisation (as set out in the draft letter in Annex 2), noting that acceptance onto this programme may lead to the postponement of the 2025 county elections.
- b) Note that the decision to respond to the letter from the Minister of State for Local Government and English Devolution, dated the 16 December 2024, is an Executive function.

LEGAL IMPLICATIONS – MONITORING OFFICER:

The function of deciding whether and how to respond to the Minister's letter of 16 December 2024 is an executive function as set out in the Constitution under Responsibility for Executive Functions (part 3), the cabinet has the power to provide formal response to any Government White Paper "*...likely to lead to policy changes or have impact upon service not otherwise delegated to officer*" (Scheme of delegation 8.2 (L)). The report complies with the Local Government Act 2000 ("the LGA 2000") and the Local Authorities (Functions and Responsibilities) (England) Regulations ("the Functions Regulations").

The power to make an order postponing (or, more strictly, changing the year of) elections under s 87 of the LGA 2000 is a power of the Secretary of State. There is no statutory provision which requires an affected authority to have requested the change, or which otherwise provides for the making of a request.

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Annexes

Annex 1: Letter to Leaders of all two-tier councils and neighbouring unitary authorities from the Minister of State for Local Government and English Devolution, dated 16 December 2024

Annex 2: Draft letter from the Leader of the Council to the Minister of State for Local Government and English Devolution

Annex 3: Devolution Framework Summary Table

Annex 4: Surrey's relative economic performance against existing and planned combined authorities

Sources/background papers:
[English Devolution White Paper - GOV.UK](#)

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