

Report to: Cabinet

Date: 6 February 2025

Title: Devolution and Local Government Reorganisation

Report of: Councillor Zoe Nicholson, Leader of the Council and Cabinet Member for Finance, Assets and Community Wealth Building

Ward(s): All

Purpose of report: To inform Cabinet of the government White Paper on Devolution and the response made to the paper impacting on the Sussex area.

Decision type: Non-key

Officer recommendation(s): Cabinet is asked to note the report.

Reasons for recommendations: The issues set out in this report are likely to have significant implications for this council alongside all other local authorities in England.

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1 Executive Summary

- 1.1 This report provides a summary of the English Devolution White Paper issued by Government on 16 December 2024. The White Paper will bring significant changes for councils in England.
- 1.2 Following publication of the White Paper, unitary councils, and upper tier councils in two tier areas, were asked to respond to a related letter from government regarding their views on becoming part of a Devolution Priority Programme. In response to this, East Sussex County Council (ESCC) have indicated, alongside Brighton & Hove City Council and West Sussex County Council, their wish to do so.

2 Introduction

- 2.1 The English Devolution White Paper was issued by government on 16 December 2024 which set out a new framework for devolution. This report provides an update on local activity which has taken place as a result of the

White Paper's publication, most notably, the publication, on 3 January 2025, of a report to East Sussex County Council's Cabinet.

2.2 In the White Paper the government sets out its ambition to create new Strategic Authorities with an ultimate aim, in due course, of all areas being covered by a Mayoral Strategic Authority. Alongside these changes would come increased levels of devolution, in areas such as housing and planning, environment and climate change, business and research, skills and employment and transport.

2.3 In addition, specific to two tier areas, the government is also seeking local government reorganisation. Government has set out criteria and indicative timetables for what is considered to be sustainable unitary structures, and it is intended to deliver a first wave of reorganisation within this Parliament.

3 The Devolution White Paper

3.1 Key contents of the White Paper regarding Devolution and Local Government Re-organisation include the following,

3.2 Devolution

In the new devolution framework, all combined authorities will be referred to as Strategic Authorities with the aim that all areas will have **Mayoral Strategic Authorities**. Strategic Authorities will have defined areas of competence. These areas are:

- 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.
- Public safety.

3.3 Local Government Reorganisation

Councils in all 21 two-tier areas will be expected to reorganise. The Government intends reorganisation to happen in a phased approach, with the first new unitary councils expected before the end of this parliament. Reorganisation is not a requirement for devolution, but the Government has indicated it will prioritise areas where reorganisation can unlock devolution. The Government has set a clear expectation that new unitary councils should be based on a population size of at least 500k. It has also indicated it will consider smaller unitary councils on an exceptional basis where there is evidence that this would make sense for a local area.

3.4 The Government will not impose reorganisation in any areas but has written to all Council Leaders setting out expectations that proposals should be submitted in 2025 and in partnership with all authorities involved.

4 Implications for East Sussex

4.1 In response to the White Paper, ESCC Cabinet considered a report on 9 January 2025. The cabinet;

“resolved to approve that the Leader writes to the Minister of State for Local Government and English Devolution:

1) Confirming the Council’s clear commitment to devolution and local government reorganisation as part of the Devolution Priority Programme, based on a proposal for the devolution of powers to a new combined authority for the Sussex area covering the areas of the three upper tier authorities.

2) Confirming the Council’s commitment to developing a proposal for unitary government in East Sussex.

3) Inviting the Government to postpone elections in May 2025, for a year, to enable the proposals for Local Government Reorganisation to be developed and the early implementation of the proposed devolution arrangements.”

4.2 At the time of writing, the government is expected to respond to ESCC on these matters by the end of January to indicate whether East Sussex, along with the other authorities in the Sussex area, be approved for inclusion in the Devolution Priority Programme.

4.3 It is important to note that the request to government to postpone elections in May 2025 rests with the County Council as upper tier authority. Lewes District Council will continue to prepare for those elections as usual subject to any future confirmation of their postponement.

4.4 Although further devolution of powers and funding from central government is generally welcomed, Members have expressed concerns previously regarding the proposed way in which this is to be achieved. Whilst supportive of participating in the Government’s priority programme, there is concern that the cancellation of the proposed County Council elections in May is both unnecessary and could increase the risk to devolution as it may be perceived as taking place without a recent democratic mandate.

4.5 These views are shared more widely across Borough and District Councils in East Sussex. In response to the Cabinet report published by ESCC and in advance of their Cabinet meeting on 9th January, the Leaders of Lewes District Council, Hastings Borough Council, Wealden District Council and Eastbourne Borough Council wrote to the Minister for Local Government and Devolution setting out these concerns and requesting that the suspension of elections in East Sussex is not approved and that these take place as planned. A copy of the letter is attached (appendix 1) and any response will be reported verbally to Cabinet.

4.6 The Council is committed to working in partnership to secure the devolution of powers set out in the White Paper and further updates will be reported in future.

5 Consultation

- 5.1 At LDC, briefing papers were prepared for all staff and members ahead of the ESCC cabinet decision on 9 January.

6 Financial Appraisal

- 6.1 This report is for noting and does not contain any direct financial implications.

7 Legal implications

- 7.1 East Sussex County Council, Brighton & Hove City Council and West Sussex County Council have informed the Government of their wish to become part of a Devolution Priority Programme (as confirmed in paragraph 1.2 above). If this wish is granted, there will be a reorganisation of local government in these areas, resulting in LDC becoming part of a unitary authority.
- 7.2 Leadership and governance arrangements would need to reflect the structure and operating methods of the new unitary authority. Accordingly, the identity and governance of LDC would undergo change, with leadership spanning across the unitary area. The role of LDC within that structure has yet to be determined.
- 7.3 Under these arrangements, the Council's constitution would require significant amendment, particularly in terms of the name and scope of decision-making bodies.
- 7.4 The Council's existing governance is based on an executive model specified under the Local Government Act 2000. Moving to a unitary authority regime will require an amendment to the Act. Details of when such legislation may be introduced to Parliament are not yet known.

Legal Services considered this report on 22.01.25 (Legal ref: 13725-JOINT-OD).

8 Risk management implications

- 8.1 The risk management implications of the White Paper proposals, and their impact on LDC, will be considered in full once a decision is taken by government regarding the inclusion of the Sussex area in the Devolution Priority Programme.

9 Equality analysis

- 9.1 The equality implications of the White Paper proposals, and their impact on LDC, will be considered in full once a decision is taken by government regarding the inclusion of the Sussex area in the Devolution Priority Programme.

10 Environmental sustainability implications

- 10.1 This report contains no direct environmental sustainability implications, however, a move towards becoming part of a Mayoral Strategic Authority would provide

increased opportunities for devolved powers in relation to environment and climate change.

11 Appendices

Appendix 1 – Letter sent to Minister for Local Government and Devolution, Jim McMahon

12 Background papers

The background papers used in compiling this report were as follows:

- [English Devolution White Paper - GOV.UK](#)
- [Agenda for Cabinet on Thursday, 9th January, 2025, 11.00 am | East Sussex County Council](#)