

Committee: Extraordinary Council
Title: Government White Paper on English Devolution
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Leader of the Council

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Summary

1. This 'for information' report updates Members on the implications for Uttlesford District Council and the residents and businesses it serves of the Government White Paper on English Devolution, published in December 2024, as well as other recent Government announcements and decisions. The urgency relating to this issue, and the reason that an Extraordinary Council meeting was called, is because of the 10th January deadline for applications to Government to cancel the May 2025 County Council elections.

Recommendations

2. None – this report is for information only. The Leader of the Council has submitted the following single-line 'holding motion' for consideration on 8th January solely to facilitate Councillors having more time to absorb the issues, and to propose fuller amendments for debate on the evening of 8th January by the 6th January amendment deadline:

"That Council notes the Government White Paper on English Devolution"

Financial Implications

3. Whilst the White Paper itself does not have direct financial implications on the authority, it does potentially lead to substantial change, including the potential abolition of Uttlesford District Council itself, which would include substantial cost in terms of preparing its smooth merger into a new unitary council.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

The December 2024 Government [White Paper on English Devolution](#).

Impact

- 5.

Communication/Consultation	Various changes presaged in the White Paper would require extensive public consultation in due course. There is no opportunity for meaningful public consultation between the late December 2024 publication of the White Paper and the 10th January 2025 deadline for applications to Government to cancel the May 2025 County Council elections.
Community Safety	One implication of establishing a new Mayoral-led Strategic Authority for the whole of Essex would be the subsuming of the Police, Fire and Crime Commissioner role into the role of the directly elected Mayor for Essex.
Equalities	-
Health and Safety	-
Human Rights/Legal Implications	The White Paper envisages future enabling legislation to go before Parliament in due course.
Sustainability	-
Ward-specific impacts	-
Workforce/Workplace	The potential reforms promoted within the White Paper would lead to substantial changes affecting all council staff, including potentially a change of employer, likely new terms and conditions in a new unitary council, and some redundancies, especially amongst senior staff.

Situation

6. December 2024 saw the publication by the Government of the White Paper on English Devolution, setting out their detailed ambitions for reform of local government structures across England. It also saw various other policy announcements and the usual slew of annual financial settlement details showing the impact on each individual council. This represented an intensification immediately before Christmas of what was already a policy-rich environment post the July General Election from the new Government.
7. The two most distinct and impactful elements of the White Paper focused on:
 - Devolution Deals – Strategic Authorities and Directly-Elected Mayors

- Local Government Reform – ie merging districts, counties and small unitary councils into new, bigger unitaries
8. Over half of England is already part of a Combined Authority, and the Government is pushing clearly for that to move to 100% Strategic Authorities (ideally each with a directly-elected Mayor). *[see map on page 33 of White Paper]*
 9. Over half of England is also already part of a unitary council (as opposed to two-tier district and county model), and the government is pushing clearly for that to move to 100%.

Strategic Authorities

10. Strategic Authorities (currently known as Combined Authorities) operate at a strategic level, with a small staffing team. They take their powers, functions and finances down from central government/agencies, particularly in areas like strategic transport and skills, though they do have the power to levy a Council Tax precept, and they do gain from both enabling funding from Government as well as additional investment not open to areas without a directly-elected Mayor.
11. They are designed to serve populations of circa 1.5 million+ (*the Essex population is just over 1.8 million and growing).
12. The White Paper (page 28) sets out 3 levels at which Strategic Authorities can exist:
 - “**Foundation Strategic Authorities:** these include non-mayoral Combined Authorities and Combined County Authorities automatically, and any Local Authority designated as a Strategic Authority without a Mayor.”
 - “**Mayoral Strategic Authorities:** the Greater London Authority, all Mayoral Combined Authorities and all Mayoral Combined County Authorities will automatically begin as Mayoral Strategic Authorities. Those who meet specified eligibility criteria may be designated as **Established Mayoral Strategic Authorities**. This unlocks further devolution, most notably an Integrated Settlement”
13. Details of specific powers and functions are set out on pages 86-91 of the White Paper. Essentially, Mayoral Strategic Authorities are the ones that unlock more powers and funding/investment, particularly as they grow and mature. In stark contrast, Foundation Strategic Authorities (ie non-Mayoral) are likely to be at the back of the queue for Government time, attention and funding – albeit still just ahead of parts of the country holding out from forming Strategic Authorities altogether.
14. Strategic Authorities are led by a directly-elected Mayor (except Foundation Level Strategic Authorities) and are also made up of the Leaders of upper tier authorities (ie. unitary councils in the area and any county councils).

15. Where Strategic Authorities are coterminous with the Police, Fire and Crime Commissioners, they shall also take on those powers and functions too. A whole-Essex Strategic Authority would be coterminous with the PFCC boundaries.
16. Although a minority of previous Combined Authorities have invited district councils round the table, this is an exception to the rule, and does not look to be the common model going forwards. Page 32 of the White Paper states:

The role of district councils:

In areas with two tiers of local government, before moving to a single tier, the government will establish Combined County Authorities but not Combined Authorities. In those cases, while districts will not be constituent members, the government expects effective levels of collaboration to be demonstrated between constituent members and district councils, especially where the district council covers the primary city or economy in that county.

17. The Government's clearly stated and unequivocal policy objective is for everywhere in England to have a Mayoral Strategic Authority (and to mature into an Established Mayoral Strategic Authority), again on page 28 of the White Paper stating:

Our ambition remains for all parts of England to ultimately have a Mayoral (and eventually Established Mayoral) Strategic Authority.

18. As per the heading of the White Paper "Power and Partnership: Foundations for Growth" – these Strategic Authorities are there to help drive the Government's ambition for growth, including delivery of the newly enhanced house-building targets. These Strategic Authorities will therefore also play a strategic planning role (ie in the planning policy space rather than the level of determining routine local individual applications) – see pages 61 onwards of the White Paper.
19. Government also intends for them to play a key role in decarbonising the economy (see page 74 onwards) and improving the public's health (page 79).
20. As only upper tier authorities would be constituent members of any new Strategic Authority for Essex, legislation also leaves it only to Essex County Council, Thurrock and Southend to be able to formally apply to Government to establish a Strategic Authority (with or without a Mayor).
21. This clear power division notwithstanding, these three authorities have been working closely for some time with the 12 district councils. 10 of the district council leaders joined ECC, Thurrock and Southend leaders in co-signing an Expression of Interest in September to Government for such an authority, albeit without settling a preference for with or without a Mayor. Uttlesford and Basildon were the two authorities to not co-sign at that time.

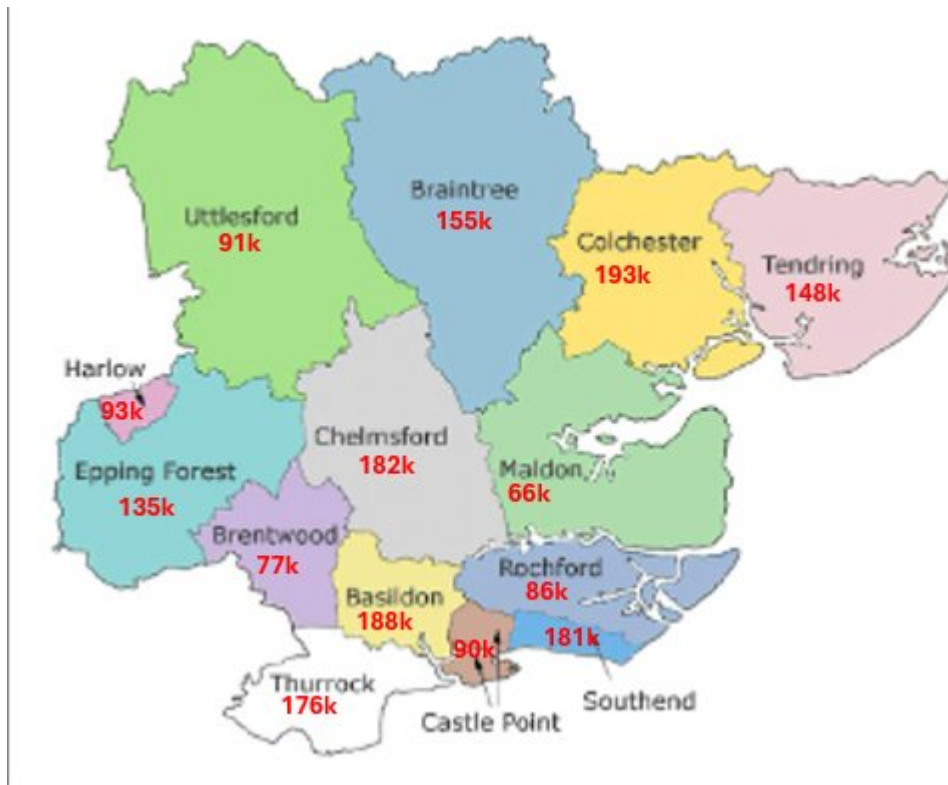
22. It is anticipated that ECC, Thurrock and Southend Councils will determine in early January both to apply formally for a Mayoral Strategic Authority, as well as to cancel the May 2025 council elections, so that they do not provide a distraction for the establishment of this new Strategic Authority. Details of the governance processes those three councils are following are not available at the time this report is written, though it is anticipated that they will be before the 8th January full Council meeting.
23. Government would then lead the public consultation exercise, and if approved, would see the Mayor for Essex elected in May 2026.
24. It is important to note that because of Uttlesford's previous faster-than-average population growth, it is from the May 2025 set to elect 5 county councillors instead of the current 4. If the May 2025 elections are cancelled and the current county councillors' terms extended, Uttlesford would lose out on this extra representation.

Local Government Reform

25. Local Government Reform (ie abolishing districts, counties and merging them plus small or failing unitaries into new, bigger unitaries) occupies a massively smaller part of the White Paper, mainly reserved to pages 95 to 102 (out of 118 altogether), illustrating that whilst the Government's policy intent is clear, so too is the distinct priority given to the formation of Strategic Authorities.
26. The White Paper sets out clearly the scale for new unitaries on page 100:

New unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decisions will be on a case-by-case basis.
27. With Essex's population at a little over 1.8 million, albeit fast growing, this would suggest a model of either 3 or perhaps 4 new unitary councils. Statutorily such new unitary councils cannot cross county/PFCC boundaries, so council mergers into unitaries with Suffolk, Cambs, Herts, London or Kent are not an option.
28. Merging councils (and disaggregating the County Council across smaller geographical units) is a massive task, so there is unlikely to be an appetite in Government to allow for existing district council areas to be carved up between new unitaries either, meaning that the current districts are effectively 'building blocks' for new councils.
29. New unitary configurations need to reflect sensible communities and economies and must of course be coterminous.

30. There are many, many different connotations and models for the current 12 districts and 2 small unitaries in Thurrock and Southend to be configured into sensible new unitaries.



31. This simplistic map betrays geographical complications: e.g. Maldon and Rochford may have a long common boundary, but without any direct road crossings, so it would arguably make no sense for them to be combined unless also including at least Chelmsford. The same is true of Thurrock and Castle Point, with Basildon forming the route in between.
32. Government makes it clear that they expect local councils to work together and to seek to find consensus for any new proposals for unitaries. It would though be open for different councils to advance different models, with Government performing a quasi-judicial role to choose the best model to go forwards.
33. The 15 Councils across Essex have arranged for Grant Thornton to do a piece of analysis exploring the costs, complexities and options for Local Government Reform in Essex. Information was gathered in recent weeks from the 15 councils, and an early report is expected in January.
34. To keep options open, Grant Thornton have been commissioned to explore different sized unitary options at either 2, 3, 4 or 5 unitaries for Essex's just over 1.8 million (and growing) population.

- 2 unitaries would average over 900k populations each, making them amongst the largest in the country, and well over the 500k+ White Paper level.
- 3 unitaries would average over 600k each, making them compliant with the 500k+ White Paper level.
- 4 unitaries would average over 450k each, making them close to compliant with the 500k+ level, and in the discretionary area for discussion with Government, particularly recognising growth levels.
- 5 Unitaries would average over 360k each, making them far away from the 500k+ White Paper level, but still comparable to/larger than many current unitaries, including London Boroughs.

35. Clearly, concerns about the loss of closeness to residents is likely to be more acute the larger each new unitary authority is. Councillors may also feel that different alignments of areas would make Uttlesford's rural character more or less likely to be subsumed into more densely populated neighbouring areas.

36. Detailed submissions to Government over new unitary make-up (ie which councils merged with which others) would be required in 2025, either as soon as March or as late as the autumn, depending on how quickly the 15 local councils move and how easily a consensus is reached between them.

37. Again after public consultation, should Parliament approve the establishment of a new set of unitary councils in Essex, transitioning to these new councils is a lot more complex than setting up a new Strategic Authority, and would therefore take longer.

38. The start date ('Vesting Day') for a new set of unitaries in Essex (and close down date for the current 15 councils to be abolished) would likely be either April 2027 or April 2028, with a Shadow Authority elected about a year earlier (ie likely May 2026 or May 2027 respectively).

39. Should things move forward to abolish the current 15 district, county and smaller unitary councils across Essex, then Uttlesford District Council would be abolished on the day the new councils started. If that new start date were April 2028, then it would be likely that the currently scheduled UDC elections for May 2027 would be cancelled (closer to the time) and all current UDC councillors see their terms of office extended by an extra year.

40. Merging several district/smaller unitary councils together whilst simultaneously disaggregating Essex County Council services, assets and budgets across several new unitary councils is a vast undertaking.

41. It is important to understand that even with a couple of years to work on this, by the time the new unitary councils start (whether in April 2027 or April 2028) a huge amount of the work to fully integrate them will only take place over the subsequent years. Although it will be important for both the current authorities to continue to drive forward local ambitions before the transfer, there will inevitably be substantially less capacity to look outward and deliver new initiatives, with the amount of work that needs to be done looking inwardly.

42. Vesting Day is therefore more the end of phase one of a merger than the end of the merger process.
43. Although a Vesting Day of April 2028 may on the face of it seem to afford a welcome degree of more time to merge councils, in many respects it is just putting off some of the harder and more unsettling decisions that need to be taken, and thus extending the period of uncertainty and stress for staff, contractors and service users. This is because the really hard decisions are taken by the newly-elected Members of the Shadow Authority, which is generally only elected in the year before Vesting Day. An April 2028 Vesting Day therefore means elections to the Shadow Authority likely in May 2027, so those difficult decisions being taken from May 2027, instead of from May 2026 Shadow Elections if Vesting Day were April 2027.
44. Should all 15 councils in Essex be set for abolition and merger into new unitaries, which other areas Uttlesford is combined with will obviously be massively important for the future most effective operation of the new authorities, and to provide the best future opportunities for Uttlesford residents and businesses.
45. It will be important for Uttlesford councillors to be able to influence this process by focusing on how the different alignments might predictably more or less positively provide these opportunities for improving outcomes for local people – as opposed to taking a more political set of considerations about which combinations of current council areas would be more or less likely to lead to particular sets of future election results for one party or another.

Relationship between Strategic Authority Proposals & Local Government Reform

46. Although Government is clear that it wants to move forwards with both directly elected Mayors as well as with creating new, larger unitary councils, the two issues are not intrinsically linked. Essex could move forwards more quickly with a Mayoral led Strategic Authority quickly whilst not advancing proposals for Local Government Reform at this time. Alternatively, Essex could move forwards more quickly with council mergers into new unitaries, but not push forward to elect a new Mayor for Essex. Or it could do both simultaneously early in 2025, or do neither.

Planning Reform

47. The new Government has made several important announcements and speeches indicating an appetite for Planning Reform, including in pages 39-42 of the White Paper and on page 48 saying that Mayoral Led Strategic Authorities will deliver:

More houses, served by the necessary infrastructure, and more social housing with Mayors becoming responsible for strategically planning for

housing growth, backed by devolved funding, a Homes England that is more responsive to the Mayors, and for Mayors of Established Strategic Authorities, the ability to set the strategic direction of any future affordable homes programme.”

48. The White Paper also references Mayoral Development Corporations and Investment Zones (page 39).
49. The new Government’s policy direction is clear: to deliver on its economic and environmental missions, it wants to make structural changes to the planning system to see more houses and more infrastructure built more quickly and with fewer constraints. Government is equally clear: authorities with up to date Local Plans will continue to have much more power and influence over what gets built where locally than those without – meaning that Uttlesford with its Local Plan just submitted and awaiting Public Inspection is in a very good position to maximise its influence over coming years.

Local Government Finance Reform

50. The new Government has also made several important announcements and decisions about Local Government finance, stretching from the Chancellor’s 30th October Budget in Parliament to the pre-Christmas financial settlement.
51. The overall policy direction is clear: the Ministry of Housing, Communities and Local Government is not one of the ‘protected departments’ within Government, so the overall pot of money is heavily constrained. Of the limited funds available, Government is moving it away from areas of relatively low deprivation towards areas of higher deprivation. Notwithstanding the pockets of deprivation in the district, Uttlesford is one of the relatively least deprived council areas in the country.
52. The shift of monies away from council areas like Uttlesford is already obvious. In this 2025/26 settlement from Government one particular stream of rural funding (the Rural Services Delivery Grant) has been ended altogether, making Uttlesford £400k worse off. Early analysis of the funding received by all councils supposed to compensate for the increase in Employers’ National Insurance Contribution rates made in the Chancellor’s budget is not a pound-for-pound recompense, but is part of a heavily weighted formula, with Uttlesford set to incur costs estimated at £337k but only relief funding of £142k.
53. As always happens, there are swings to go with the roundabouts, with Uttlesford set to get a relatively high amount from the new Extended Producer Responsibility funding, relating to waste collection duties.
54. Fuller budget briefings and detailed budget proposals will as usual be published separately for debate by councillors over coming weeks in the usual budget process

Policy Questions for Councillors.

55. There are six key policy questions for Uttlesford District Councillors, the first four of which are more urgent, as the first submissions are invited to Government by January 10th (in relation to Essex County Council, Thurrock and Southend cancelling their elections for May 2025). The fifth and sixth key questions (as to which areas Uttlesford might make sense merging with to form a new unitary) is something that will be better informed by the Grant Thornton work emerging later in January, and for which there will be more time to come back and explore the different options

- Do Uttlesford councillors want to support Essex County Council, Thurrock and Southend with their anticipated proposal to establish a directly-elected Mayoral Strategic Authority for all of Essex (with the election likely in May 2026)?
- Do Uttlesford councillors want to support the county council’s application to Government to cancel the May 2025 elections (and in so doing, miss out on the extra fifth seat in Uttlesford)?
- Do Uttlesford councillors want to join with others of the 14 district, county or smaller unitary councils in Essex to advance early proposals for Local Government Reform?
- If so, do Uttlesford prefer to go quickly (aiming for a 2027 vesting day) or later (aiming for a 2028 vesting day)?
- Do Uttlesford councillors have any early thoughts on whether or not fewer bigger new unitaries are better able to deliver for residents, or instead a greater number of slightly smaller new unitaries?
- Do Uttlesford councillors have any early thoughts on the best alignment of which other areas would work best and serve Uttlesford’s residents and businesses best, and align best with Uttlesford’s rural character?

56. Members are reminded that they are able to submit amendments to the ‘holding motion’ published on the Agenda by the deadline of 10am on 6th January 2025.

Risk Analysis

57.

Risk	Likelihood	Impact	Mitigating actions
Risk that Uttlesford does not use the opportunity to influence (but not control) the establishment of a new Mayoral-led Strategic Authority and/or the merger of Essex’s 15 current districts, county and unitary councils into a much	3 significant	4 major	Consideration of this report, and future focused actions to exercise such influence.

smaller number of new unitary councils			
Risk that Uttlesford residents' future proportionate influence over Essex County Council business is diluted by decisions which result in the abandonment of the shift from there being four county electoral divisions in Uttlesford to 5	3 significant	4 major	Consideration of this report, and future focused actions to exercise such influence.
Risk that Uttlesford councillors' policy priorities for improving outcomes for residents are distracted and diminished by the unavoidable workload associated with merging into a new unitary council, should that be decided by Parliament	3 significant	4 major	Consideration of this report, and future focused actions to prioritise local policy imperatives alongside the work of moving to a new unitary council and winding up the current council.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.