

Title: Devolution White Paper and Local Government Reorganisation
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 Portfolio Holder: Councillor Ian Davison
 Wards of the District directly affected: All

| Approvals required | Date | Name |
|---|-----------------------------------|--|
| Portfolio Holder | 10 th March 2025 | Cllr Ian Davison |
| Finance | 10 th March 2025 | Andrew Rollins/Steven Leathley |
| Legal Services | 10 th March 2025 | |
| Chief Executive/Deputy Chief Executive | 10 th March 2025 | Chris Elliott/Darren Knight |
| Director of Climate Change | 10 th March 2025 | Dave Barber |
| Head of Service(s) | 10 th March 2025 | Phillip Clarke, Zoe Court, Lisa Barker, Tracy Dolphin, Marianne Rolfe, Andrew Rolling, Graham Leach, David Elkington |
| Section 151 Officer | 10 th March 2025 | Andrew Rollins |
| Monitoring Officer | 10 th March 2025 | Graham Leach |
| Leadership Co-ordination Group | 10 th March 2025 | Cllrs, Davison, Melrose, Boad, Hales (for Cllr Day), and Falp. |
| Final decision by this Committee or rec to another Cttee / Council? | Yes Recommendation to: Cabinet | |
| Contrary to Policy / Budget framework? | No | |
| Does this report contain exempt info/Confidential? If so, which paragraph(s)? | No | |
| Does this report relate to a key decision (referred to in the Cabinet Forward Plan)? | No | |
| Accessibility Checked? | Yes | |

Summary

The purpose of this report is to consider Warwick District Council's interim plan prepared in response to the formal invitation from Government to identify Local Government Reorganisation proposals for Warwick District Council. This invitation follows the publication of the English Devolution Deal White Paper on 16 December 2024.

Recommendation(s)

- (1) That Cabinet considers the contributions made at Council (from its meeting on 20 March 2025);
 - (2) That the interim plan attached at Appendix 2 be approved;
 - (3) That authority be delegated to the Chief Executive to make minor changes to the interim plan, in consultation with the Leader of Warwick District Council, following the consideration of the interim plan by the other Warwickshire District and Borough Councils; and,
 - (4) That the Leadership Coordinating Group (LCG) act as the Member oversight to the work on the preparation of the plan for November 2025 with regular reports on progress to Overview and Scrutiny and to Cabinet.
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1 Reasons for recommendations (recommendations 1 to 4)

- 1.1 In the lead up to the July 2024 General Election, the Labour party's manifesto identified that devolution would be a key priority, should they win the election, as part of its ambition to "Kickstart Economic Growth". The manifesto stated the following: "Labour will transfer power out of Westminster, and into our communities, with landmark devolution legislation to take back control. In England, Labour will deepen devolution settlements for existing Combined Authorities. We will also widen devolution to more areas, encouraging local authorities to come together and take on new powers. Towns and cities will be able to take hold of the tools they need to pursue growth, create jobs, and improve living standards. Local areas will be able to gain new powers over transport, adult education and skills, housing and planning, and employment support. We will ensure those places have the strong governance arrangements, capacity, and capability to deliver, providing central support where needed."
- 1.2 Following the election, it was clear that the Government would seek to deliver this ambition for devolution swiftly. Throughout the Autumn of 2024 the English Devolution Deal White paper was developed and this was published on 16 December 2024.

Strategic Authorities

- 1.3 The White Paper identified that it was the expectation of Government that by the time of the next general election (2029), devolution deals would be in place across England. Whereas previous devolution deals, such as for the West Midlands Combined Authority, had been individually negotiated, future deals would be more uniform. Within the White Paper the concept of three types of

Strategic Authority was introduced, these are defined as follows:

- 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 (Financial) Settlement.

1.4 The Government have stated that their ambition is that for all parts of England to ultimately have a Mayoral (and eventually Established Mayoral) Strategic Authority. The powers that will be devolved through these new arrangements will cover the following areas:

- a) Transport and local infrastructure
- b) Skills and employment support
- c) Housing and strategic planning
- d) Economic development and regeneration
- e) Environment and climate change
- f) Health, wellbeing and public service reform
- g) Public safety

1.5 It will be for local areas to propose Strategic Authorities, however the decision to establish them will fall to central Government. The following principles that will be used by Government in evaluating options are:

- Scale: Strategic Authorities should be of comparable size to existing institutions. The default assumption is for them to have a combined population of 1.5 million or above, but we accept that in some places, smaller authorities may be necessary.
- Economies: Strategic Authorities must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets. It is likely that where travel to work areas are small and fragmented, Strategic Authorities will cover multiple travel to work areas.
- Contiguity: Any proposed geography must be contiguous across its constituent councils (either now or with a clear plan to ensure contiguity in the future through agreed Local Government reorganisation).
- No 'devolution islands': Geographies must not create devolution 'islands' by leaving areas which are too small to go it alone or which do not have natural partners.
- Delivery: Geographies should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.

- Alignment: The Government will seek to promote alignment between devolution boundaries and other public sector boundaries.
- Identity: A vital element of successful devolution is the ability for local residents to engage with and hold their devolved institutions to account – and local identity plays a key role in this.

Local Government Reorganisation

- 1.6 The English Devolution Deal White Paper is clear that underpinning the “Strategic Authorities” will be unitary authorities. Whilst in the short term it is stated that “...reorganisation should not delay devolution...”, through a process of local government reorganisation there will be the abolition of all remaining two-tier government across England. Following previous rounds of local government reorganisation there are currently 21 County Council areas remaining which include a total of 164 District/Borough Councils, all these authorities’ will be replaced with Unitary Local Government.
- 1.7 The White Paper provided initial guidance surrounding the size and form of future unitary authorities. It stated “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.”
- 1.8 Immediately following the publication of the white paper all local authorities received letters from the Minister of State for Local Government and Devolution, Jim McMahon MP. Within these letters was an invitation to all County Council areas to request the deferral of the planned May 2025 elections and therefore be in the first phase of Local Government review with a vesting date of 1 April 2027. The request from the County Council would need to demonstrate either of the following:
- How the deferral would unlock devolution in an area; or
 - If the area was part of the Priority Devolution Programme.
- 1.9 The letter also stated that such requests should be made by 10 January 2025. Government explicitly stated that they would respond to these requests by the end of January 2025, and in doing so would provide the following:
- Details of what each area should do next
 - Identify which Councils are having elections deferred
 - Issue formal invitations to submit proposals for local government reorganisation
 - Require the initial response to the invitations back from local authorities by late March
- 1.10 The response from Government was delayed, not arriving until late on 5 February 2025 but WDC did receive a letter (Appendix 1). This letter confirmed that Warwickshire County Council elections would go ahead in May 2025, confirming that Warwickshire would **not** be in the first phase of Local Government reorganisation. Government stated that the earliest possible date

for Local Government reorganisation within Warwickshire will be 1 April 2028.

- 1.11 The letter from the Minister stated, that an interim plan in relation to the invitation for Local Government reorganisation would need to be submitted by 21 March 2025. WDC will be required to agree and submit its' formal response to the invitation for local government reorganisation in Warwickshire by 28 November 2025.
- 1.12 The letter identified eight specific points which would need to be covered in the interim plan, these being:
- a) identify any barriers or challenges where further clarity or support would be helpful;
 - b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities;
 - c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities;
 - d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance;
 - e) include early views on how new structures will support devolution ambitions;
 - f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals; Page 4
 - g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area; and
 - h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.
- 1.13 Given the limited time available to prepare responses to these questions WDC, along with all the other four districts and boroughs in Warwickshire have commissioned Deloitte's to assess options and help inform the response. This work builds upon the review that was undertaken in the Autumn of 2020 when the issue of potential Local Government Review was last considered in Warwickshire. SDC has procured the commission of this report, however, it is being jointly funded by all five Warwickshire District and Borough Councils.
- 1.14 Whilst only limited reference to the work being undertaken by Deloitte's will be included within the interim plan, this would support the formal submission being made in November 2025. An early draft of their report has been received however further review is required.

- 1.15 On 26 February 2025, a discussion was held with officials from the Ministry of Housing, Communities and Local Government. At this session it was clarified that at this stage the interim plan will be considered as a “progress check”, in relation to the development of the formal response.
- 1.16 The submission of an interim plan has no status in law and there will be no decisions made on the contents. MHCLG officials also stated that Councils would not be required to identify which option is preferred by each Council.
- 1.17 Following the MHCLG discussion a draft interim plan has been developed in partnership with the other Warwickshire Districts and Boroughs, this is attached at Appendix 2.
- 1.18 This interim plan covers the individual points listed at paragraph 1.12 above. The plan identifies that two potential options which will be considered for unitary government within Warwickshire, a single unitary and a two unitary solution based on a North (North Warwickshire Borough, Nuneaton and Bedworth Borough and Rugby Borough) and South Warwickshire (Stratford upon Avon and Warwick District Councils).
- 1.19 The interim plan also briefly identifies three potential options for which strategic authority could cover the area, these being:
- The West Midlands Combined Authority
 - A single County Strategic Authority (Cumbria Model)
 - Other County areas (in whole or in part)
- 1.20 Further work will be required in analysing and evaluating all the options before WDC is required to make a final decision and submission by 28 November 2025.
- 1.21 WDC will require additional external support in preparing the final submission. A budget of £25,000 was agreed for this work at the budget setting Council meeting but it may be the case that additional resources are required. If this is the case, then authority for such additional resource will be sought.
- 1.22 The Cabinet is asked to consider and approve the interim plan attached at Appendix 2 for submission. This same plan is being considered by North Warwickshire, Nuneaton & Bedworth, Rugby and Stratford upon Avon District Councils. It may be that minor changes are agreed in the other authorities; therefore, it is requested that in consultation with the Leader, the Chief Executive is delegated to make such minor changes.
- 1.23 It is hoped that the same plan can be submitted by all these authorities. However, Warwickshire County Council will be making a separate submission based upon a proposal for a county wide unitary authority. The County Council is however aware of the other option for Local Government reorganisation which is identified for Warwickshire within Appendix 2.

2 Alternative Options

- 2.1 Government do not require at this stage of the process, of local government reorganisation that a preferred solution structure be identified, only that options are identified. The options available to The Cabinet are:

- To approve the interim plan attached at Appendix 2;
- To make changes to the interim plan attached at Appendix 2; or
- To reject the changes to the interim plan and Appendix 2 and to not submit a response at this stage.

3 Legal Implications

3.1 The letter from the Minister of State for Local Government and Devolution constitutes a formal request under the Local Government and Public Health Involvement in Health Act 2007. Under this legislation the Government can require the Council to submit a response for proposals for unitary government in an area. SDC received the formal invitation on 5 February 2025. The interim plan has no formal legal status under this Act.

4 Financial Implications

4.1 There will be financial implications arising from the development of proposals for a formal Local Government review submission. To date WDC has incurred net costs of circa £10,000 from consultants to assist with issues including financial modelling of costs and savings arising from the implementation of unitary proposals. The costs are being shared by all of the Warwickshire District and Borough Councils.

4.2 There will need to be further work undertaken in areas such as engagement, to ensure that WDC has a budget to meet these costs. The Council has agreed a budget of £25,000 for this work of which circa £10k is already committed. Monitoring against this funding will be reported through the normal budget monitoring reporting process.

4.3 Government have stated that Councils will need to make a financial contribution towards the cost of transitioning to the new local government structures. Recent experience within Cumbria was that each district contributed c£2m towards these costs with the Cumbria County Council match funding the total from the districts. At this stage the value of any such contribution for Warwickshire is unknown.

5 Corporate Strategy

5.1 Whilst ultimately Local Government reorganisation will result in the abolition of WDC, the priorities for our residents should remain. It is the responsibility of the Council to ensure that properly made decisions in the public interest are made. Therefore, in considering the future structures of local government consideration will need to be given to the 3 Strategic Priorities of the Corporate Strategy:

- Delivering valued, sustainable services
- Low cost, low carbon energy across the district
- Creating vibrant, safe and healthy communities of the future

6 Environmental/Climate Change Implications

6.1 There are no direct environmental/climate change implications arising from the submission of the interim plan, but the eventual reorganisation may have

significant effects which will need to be considered as part of the November submission.

7 Analysis of the effects on Equality

7.1 There are no direct equality implications arising from the production of an interim plan. There will, however, be significant issues which will need to be considered when WDC approves the final submission, a full Equality Impact Analysis will be undertaken at that stage.

8 Data Protection

8.1 There are no direct Data Protection implications arising from this report.

9 Health and Wellbeing

9.1 There are no direct health and wellbeing implications arising from the requirement to submit an interim plan.

10 Risk Assessment

10.1 The Government's policy identified within the English Devolution Deal White Paper will result in the abolition of the current six principal Councils within Warwickshire.

10.2 In developing proposals for the future Local Government structures within Warwickshire these must be done in line with the Government's guidance on this matter, but also with the overriding principle of taking decisions in the public interest. At this stage WDC is not determining, which is the preferred structure, there has been insufficient time to allow for a proper consideration of all the facts.

10.3 WDC will need to ensure that there is proper evaluation of all options and robust engagement to ensure that the November 2025 submission is evidence based.

10.4 The Government have advised that the earliest that the Council will move to unitary arrangements is April 2028 but even that is tight and is at risk of slippage. There are several issues that will need to be carefully managed, including staff retention, to ensure that the Council can continue to deliver high quality services up until the vesting day of the new authority.

11 Consultation

11.1 The preparation of the plan due for November 2025 will involve a significant degree of engagement with the local communities, businesses, partner agencies and parish and town councils.

11.2 Members have debated the issue at the Special Council meeting in January and will have done at the meeting to be held before this Cabinet meeting.

Background papers: None

Supporting documents: None