

CABINET
9 JANUARY 2025

DEVOLUTION WHITE PAPER AND RESPONSE

Report of the Chief Executive Officer

RECOMMENDATION

1. **The Cabinet is RECOMMENDED to:**
 1. **Note the publication of the Devolution White Paper and the emerging impacts for Oxfordshire County Council and local government in Oxfordshire;**
 2. **Agree the response to Government for issue by 10 January 2025 (as set out in Appendix 1);**
 3. **Request that Government places Oxfordshire into a ‘fast track’ programme to progress local government reorganisation ambitions first and continue to work with partners on a future Mayoral Strategic Authority;**
 4. **Express to Government the County Council’s significant concerns in postponing ordinary elections in 2025, but that it would accept a postponement if it can commit to the most ambitious timescale of elections to a new shadow Council/Councils in May 2026.**

Executive Summary

2. On Monday 16 December 2024, the Government published the Devolution White Paper. The paper sets out the most significant reforms to local government since the Local Government Act 1972.
3. A significant element of the White Paper progresses the English devolution agenda which commenced in 2009; providing powers to create Combined Authorities that would enable Councils to collaborate more formally to accelerate inclusive and sustainable economic growth.
4. The purpose of this report is to agree the Cabinet’s response to time critical elements of the White Paper as outlined in **Appendix 1**.

Background - Devolution and Local Government Reform

5. The Government has set out its intention to significantly reform, at great pace, local government structures and implement devolution across England.

6. The Government wishes to see successor councils emerge from the current two-tier system of district and county councils and that those successor councils and the existing unitary¹-structured councils of England must join a Strategic Authority.
7. Those Strategic Authorities are defined as a Mayoral County Combined Authority, a Mayoral Combined Authority, a Non-Mayoral Combined Authority or a Non-Mayoral Combined County Authority.
8. Those Strategic Authorities without a Mayor will be provided with limited devolution powers and are called 'Foundation Strategic Authorities'.
9. Those Strategic Authorities with a Mayor will be given significant powers.
10. Those Mayoral Authorities that have operated successfully and have demonstrated delivery to Government will be called 'Established Strategic Authorities' and will be able to access further powers.
11. The Government published a clear scheme for devolution – moving away from the bespoke 'deal making environment'. Places will now be able to access significant long-term funding as well as powers such as:
 1. Transport and local infrastructure;
 2. Skills and employment support;
 3. Housing and strategic planning;
 4. Economic development and regeneration;
 5. Environment and climate change,
 6. Health, wellbeing and public service reform, and
 7. Public safety.

These reforms provide a significant opportunity in which to ensure that more decisions are made locally by democratically elected, locally rooted, political leaders. There is a clear public benefit to this and as such, a Mayoral Strategic Authority would be the most advantageous for this Council to progress.

12. The Government has been clear that those unitary structured councils who choose not to join a Strategic Authority will be instructed by the Secretary of State to join one.
13. The Government has set out indicative parameters for the footprint of a Strategic Authority - that it must cover a sensible functional economic area and have a minimum population size of 1.5 million.
14. The Thames Valley as a sub region presents many advantages to the residents of Oxfordshire. It is a sizeable functional economic area, with c.2.4m residents, a relevant public sector footprint and identity which aligns strongly with police, health and other structures.

¹ A unitary council is one which delivers all the functions of local government eg. Social care services, planning and licensing, libraries, housing, environmental health, waste collection and disposal etc.

15. Informal conversations have been taking place with local authorities within the Thames Valley area on an authority-by-authority basis. A meeting has been organised for 31 January 2025.
16. Further conversations will be progressed up to and beyond 10 January 2025 to convene other local authorities around a Mayoral Combined Authority in the Thames Valley area. For the avoidance of any doubt, this Council remains at the exploratory stage of a devolution arrangement.
17. The Government has stopped short of instructing places on how to reorganise local government, and arrive at successor councils, but instead has been clear that places must work together on a proposal for the benefit of residents.
18. The Government has also set out indicative parameters to guide local government reorganisation. Specifically, that councils must cover c.500,000 or more residents, but in some cases, exceptions may be permissible. No upper limit has been set.
19. The overall pace set by Government on responding to the White Paper is significant, and there is an expectation that upper tier councils, such as Oxfordshire County Council, signal their commitment on devolution, local government reform and whether or not to hold county council elections in May 2025 in order to facilitate that reform by 10 January 2025.
20. This response is required by 10 January 2025 further to a letter issued to the County Council on 16 December 2024 attached at **Appendix 2**.
21. For the avoidance of any doubt, it is not the responsibility of the County Council to decide to postpone an election, that is the responsibility of Government. The County Council is being asked for its view on whether a short postponement could facilitate the reforms outlined in the White Paper.
22. From early discussions with Cabinet and all Political Group Leaders at the Council, there is a clear appetite to move forward with arrangements in which to join a Strategic Authority and to move at pace with local government reform.
23. Based on information provided by the Government to date, and drawing on the work of partners within the County Council's Network, the anticipated likely timeline for the development and delivery of reorganisation proposals for Oxfordshire is shown indicatively below. This is subject to the progress of the English Devolution Bill.

10 January 2025	Letter submitted to Minister of State
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	Election to shadow unitary/unitaries
Spring 2027	New unitary/unitaries 'go live'

24. The Council wishes to express a clear commitment to joining the Fast Track Programme to progress devolution ambitions but with a focus on unitarisation first.
25. To progress these ambitions, the Government has requested that upper tier Councils with ordinary elections this year express a view on postponing them to allow for reform to take place at pace. It is highly unusual to receive such a request and concerns have been raised in respect of assurances in which the next election will take place and for which Council or Councils.
26. Government must clarify its intentions on providing a clear, mutually agreed legislative timetable coupled with a commitment to Oxfordshire County Council, the District and City Councils (where electoral administration responsibilities sit) and electors to deliver on that timetable. Without these express assurances, it is unreasonable to request a postponement and elections this year should continue as planned.
27. To that end, and to meet with the spirit of the White Paper, it would be reasonable to express concerns about the postponement of any scheduled election, but to commit to progress at pace subject to express commitment from Government that an election to a new successor Council/Councils would take place in May 2026.

Alternative Options

28. Cabinet may not wish to engage with the Government's request to respond by 10 January 2025. This would be unreasonable to not respond and share with Government the position of the County Council in respect of the White Paper given its wide-ranging impacts on its role and function.
29. Cabinet may choose to not request a place in the Fast Track. Whilst conversations on a devolution agreement will need to continue over a longer timescale, and with the dependency on partners to engage positively too, there

is a clear interest across the vast majority of Councils in Oxfordshire to progress local government reform at pace.

Corporate Policies and Priorities

30. The Council has agreed strategic priorities in which to:
1. Play our part in a vibrant and participatory local democracy;
 2. Invest in an inclusive, integrated and sustainable transport network;
 3. Work with local businesses and partners for environmental, economic and social benefit;
 4. Tackle inequalities in Oxfordshire.

Progression of devolution and reorganisation ambitions will provide new powers and investment in which to progress this Council's objectives and work on a much greater footprint to bring about sustainable economic growth.

Local government reorganisation will require partners to ensure democratic participation and voice is protected and where possible, strengthened as part of this process. Consideration should be given to a clear workstream on governance / democratic participation as part of reorganisation efforts.

Financial Implications

31. None immediately arising as part of this report but resources (to be confirmed) will be required to progress Mayoral Combined Authority ambitions and reorganise local government. The county council is yet to identify what this precisely looks like as it should be dependent on discussions with other local authorities. Any investments required will be channelled through the most appropriate governance route in accordance with the council's Constitution.
32. From work undertaken back in 2014, it was identified that savings would arise from the move to a successor unitary authority /authorities from the removal of duplication and rationalisation across a range of services. Factors considered related to senior and middle management, duplication of back-office functions, the cost of elections, streamlining costs associated with delivery of services and optimising the way services are currently assembled.

Comments checked by:

Lorna Baxter
Executive Director of Resources and Section 151 Officer

Legal Implications

33. The statutory power to 'postpone' the elections used in previous reorganisations is section 87 of the Local Government Act 2000 (LGA 2000). This is a power exercisable by the secretary of state without an application from the local authority. The Secretary of State has made it clear that on this occasion she does not intend to exercise the statutory power without a request from the local authority.
34. All the functions of the County Council are executive unless identified in regulations as being for Council. Section 87 LGA 2000 is not referenced in regulations as being a council function and is therefore an executive function.
35. Following discussions with officials in the Elections Team at the Ministry for Housing, Communities and Local Government in respect of the postponement of elections, it is clear that if Government choose to postpone ordinary elections in 2025, there would need to be a consequential amendment to The Oxfordshire (Electoral Changes) Order 2025. This draft Order is not yet in force and still in the parliamentary procedure that applies to statutory instruments to defer the date when new electoral divisions would be brought into effect. The six month rule under Section 89(3) of the Local Government Act 1972 with regard to casual vacancies would also need to be addressed in any legislation. Therefore, any by election(s) required would be possible and contested on the current county council division structure. The new electoral divisions would then come into force at the first election for the new Council or Councils.
36. This report, and the resulting decisions of Government which may include to invite the Council onto the Devolution Priority Programme, would signal the start of a significant legal and constitutional process.

Anita Bradley
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Staff Implications

37. None immediately arising from this report, however significant resources (Member and Officer) will need to be made available to progress the changes outlined in this paper.
38. We expect that there will need to be a separate team to progress the impacts on the county council and beyond drawn from governance, communications and engagement, finance, programme management, other professionals and subject matter experts. This is to maintain, as far as is reasonably possible, business as usual.
41. In the spirit of the Government's wishes for this to be a shared, collegiate process, the county council must explore the development of a shared team with other authorities in which to progress the development of the Mayoral Combined Authority and develop a proposal for local government reform in Oxfordshire. This is against a backdrop of a challenging workforce position

(which is being felt nationally, not just in Oxfordshire) and strain on existing budgets. To that end, it is essential that an approach which brings together shared expertise across Oxfordshire is fully explored.

42. As identified in paragraph 32, we will need to work across all councils to effectively assess the impacts on staff as part of this process.

Equality & Inclusion Implications

43. None immediately arising from this report.

Sustainability Implications

39. None immediately arising from this report.

Risk Management

40. None immediately arising from this report however reorganisation on this scale presents significant risks and issues. A risk log will be opened at an appropriate point in which to gather, monitor and manage a full suite of risks and issues. The list below is indicative at this stage: -
- There will be one off costs for reorganisation;
 - Council tax harmonisation will be required;
 - Loss of management time engaged in the reorganisation process;
 - New Council or Councils will require refreshed decision-making arrangements;
 - Contract harmonisation will need to take place to ensure value for money;
 - During the implementation period some Councils may take decisions that could impact on the resilience and sustainability of the new Council or Councils;
 - Risk of local government funding reform impacting on the sustainability of all Councils.

Consultations

41. Political Group Leaders at the County Council were appraised of the White Paper and fully acknowledge the needs of it and the pace of change proposed. All Political Group Leaders are supportive of the need for local government reform and joining a Strategic Authority.
42. Leaders of all Districts and the City Council were briefed on the content of the White Paper shortly after publication and an expression of their positions is expressed in the letter enclosed at **Appendix 1**.

Helen Mitchell
Head of Public Affairs and Strategy

Annex:

Letter to His Majesty's Government – 10 January 2025

Letter from MHCLG to the Leader of the Council – 16 December 2024

Background papers:

Devolution White Paper - Power and Partnership: Foundations for Growth

Other Documents:

None

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January

2025