

CABINET
09 December 2025

DEVOLUTION FOR OXFORDSHIRE

Report of the Chief Executive

RECOMMENDATION

1. The Cabinet is RECOMMENDED to

- a) Endorse the benefits from the proposed devolution of powers and functions and agree to continue building on the collaborative approach across the region to date.
- b) Approve the Expression of Interest (EOI), attached as Appendix 1, to be submitted by Oxfordshire County Council as the upper-tier authority to Government, noting that the EOI is designed to proactively position our region for early consideration in the next wave of the Devolution Programme.
- c) Acknowledge the EOI as an initial invitation to Government, opening further dialogue and engagement, and not a decision to establish a Mayoral Strategic Authority.
- d) Agree that a further report will be brought to Cabinet prior to any final decision by Government on the creation of a Mayoral Strategic Authority.
- e) Note the informal Devolution Board will oversee discussions with Government, ensuring robust governance and stakeholder engagement by elected members throughout this process.

Executive Summary

2. This report seeks approval to submit an Expression of Interest (EOI), attached as Appendix 1, to Government. This is in response to the release of the Government's Devolution white paper and subsequent English devolution and community empowerment bill. It seeks to position our region in the next round of devolution for the purpose of creating a Mayoral Strategic Authority (MSA). The EOI represents an initial, exploratory step—serving as an invitation to Government to engage in further discussions about the opportunity of establishing an MSA for our region. At this stage, no final decisions are being made; instead, the Council is seeking to understand Government's requirements and expectations, with a commitment to make informed decisions once these are clarified through ongoing dialogue.

3. The primary purpose of pursuing an MSA is to provide the support network for the innovation eco-system that drives economic growth through innovation, sustainability, and prosperity. Working within a strategic partnership can leverage our region's strengths. By providing collaborative regional governance, this Council can provide a framework to promote inclusive growth for our area for the benefit and wellbeing of our residents.
4. The principle of devolution is well-established, with Government aiming to redistribute political, social and economic power across England. With ambition now focused on universal coverage of Strategic Authorities across England following the English Devolution White Paper and the English Devolution and Community Empowerment Bill, Leaders have been meeting across our region to explore the opportunity for devolution.
5. The Government's vision, as set out in the English Devolution White Paper, is for all parts of England to be part of regional Strategic Authorities led by a regional Mayor. These authorities will drive growth, shape public services, and deliver strategic leadership in areas such as economic growth and sustainability, planning, skills, employment, and transport.
6. This move to devolving power to regions signals a significant step change in how UK economic growth will be delivered. It places significant shift in how local government needs to develop and deliver its economic growth strategies. This will shift relations from central government to local regional strategic partnerships, working with an elected Mayor within a Strategic Authority. It will require council Leaders, supported by their Chief Executives, to form new strategic regional partnerships to drive our ambitions for place based all-inclusive growth.

A Thames Valley MSA For Collective Regional Growth

7. Becoming an MSA represents a significant opportunity for regions in England to drive inclusive growth and prosperity for communities and businesses. With new powers and investment, MSAs can address strategic economic challenges and opportunities, in collaboration with local Leaders, business leaders and investors, with Government and increasingly, with other Strategic Authorities as part of the Council of the Nations and Regions. This is a new and exciting platform in our regional and local government landscape, creating systems based on collaboration and collective action that can work at scale to make connections, drive innovation and support growth.
8. However, failing to pursue this opportunity carries real risks. Areas that do not secure an MSA risk missing out on funding, influence, the ability to set their own strategic direction, and deliver against regional priorities. In an increasingly devolved landscape, inaction could result in diminished competitiveness, slower growth, and reduced leverage in regional and national decision-making around investment.

Regional Economy

9. The Thames Valley economy is one of the most dynamic and globally connected in the United Kingdom contributing billions in Gross Value Added to the national economy each year. On a per-person basis, it ranks second only to London, a reflection of the area's powerful concentration of high-value industries and skilled workforce.
10. The Thames Valley Region's prosperity has its roots in knowledge and innovation, driven by digital technology, communications, life sciences, biotech, and health including creative and professional service sectors that have flourished thanks to the regions connectivity and proximity to London and Heathrow Airport. Global companies have long chosen to locate in the region with recognised hubs for technology and business services. This includes fast growing sectors in pharmaceuticals, manufacturing, and digital.
11. This region's economy has a critical mass of science, learning, talent, intellect and inspiration. The region also has a culture of pushing boundaries, redefining leading edge, pioneering and entrepreneurship. The universities are powerhouses of knowledge and beacons of experimental excellence as indeed are many of the businesses located across the county.
12. The intellectual capacity of the region and talent emerging from the universities is driving the establishment of spin out businesses and the scale up of growing ones, contributing to an environment that promotes and nurtures commercialisation; a driving force for a new, science and knowledge led industrial revolution.

Regional Risk of Economic Decline

13. Despite a track record of success, the Thames Valley economy has not been immune to the decline in productivity across the UK in recent years, suffering from underinvestment and increased global competition. In addition, continued prosperity brings challenges, including housing affordability, infrastructure constraints, and uneven growth across localities.
14. There are considerable challenges for residents and businesses in generating a future proof transport infrastructure that supports the region's economic growth, which is struggling to cope with increased demand. Education and skill need to be developed on a regional collaborative basis to power capacity for economic growth.
15. This means this region needs to take a lead in ensuring sustainable housing and transport, promoting green technology, repowering the economy, developing the regional connectivity and attracting inward investment. The region could do much more to benefit from the advantages generated through strategic growth planning and collaboration at a much greater scale that can be currently delivered by individual councils.

16. This places the Thames Valley under threat of seeing economic decline as businesses and inward investment risks diverting to regions that have clear joined up regional Growth Plans and unfragmented governance arrangements, selling the region's benefits to sectors and investors.
17. Areas that can deliver regional transportation connectivity, housing growth and other business support infrastructure such as skills training and wellbeing are better placed to secure investment.

The Opportunity

18. There are substantial benefits in seeking devolution of powers. Devolved control over adult education and skills budgets allows authorities to better align training provision with the needs of local industries from digital technology and life sciences to creative industries, helping retain talent and businesses whilst ensuring inclusive access to opportunities.
19. Devolved powers and responsibility over strategic transport, strategic housing and spatial planning will support growth at a wider regional level enabling authorities to better target investment in deprived or underperforming areas, address housing affordability, promote green infrastructure and ensure growth benefits reach all communities. A regional transport strategy would future proof the region's rail links, while improving access to Heathrow and London. Coordinated investment in rail, bus, and sustainable transport would reduce travel times, improve productivity and support the net zero agenda.
20. An enhanced ability to attract private investment and innovation partnerships would support the development of the innovation ecosystem in key sectors such as IT to stem the current exodus of UK innovation overseas and help to attract more overseas investment to the region. A science partnership could form a knowledge-intensive growth region with a stronger national and international identity capable of competing with major European economic clusters.
21. As a key driver of the UK economy, an MSA has the potential to scale up rapidly and deliver significant regional and national economic growth. Establishing an MSA will function as catalyst for growth to target funding and skills programmes where they are needed most, helping to reverse productivity decline and remove barriers to economic development.
22. Stronger coordination through an agreed MSA regional growth plan, influenced and led by local authorities, will stimulate a larger, integrated economy that can carry more weight in negotiations with Government, securing devolved funding and national infrastructure investment. It would also present a more compelling 'investment ready' proposition to global investors seeking a region that combines cutting-edge research with commercial capability.

Expression of Interest Thames Valley Vision

23. To unlock the opportunity for an MSA, it is proposed to submit an EOI to Government. The EOI emphasises the region's strengths in innovation and

productivity and its readiness to enter discussions for an MSA. Devolution will drive inclusive growth and unlock significant opportunities for local communities and the UK more broadly.

24. The Thames Valley EOI highlights:

- **Economic rationale:** The region has national excellence and/or international excellence in at least 5 of the 8 key business sectors highlighted in the Modern Industrial Strategy. The Strategic Authority would provide the framework that allows businesses to leverage those sectors across a wider geography and create jobs. Our intent is to restore growth to pre-Covid levels of prosperity.
- **Collaborative governance:** There is a commitment to partnership working across constituent councils, with clear terms of reference and for the EOI to mark the start of wider stakeholder engagement across the region.
- **Strategic powers and funding:** Powers over transport, skills, housing, and economic development and the ability to provide these within a business eco-system will lead to greater investment.
- **Place-based leadership:** Greater local control to deliver national policy objectives at local level has been shown to be successful in other established Strategic Authority areas. Adapting powers and functions to meet local needs strengthens local identity, accountability, and the ability to deliver tailored solutions for residents.

25. The EOI is the first stage towards devolution. Whilst it does not bind any Council to an MSA at this stage, it does indicate our readiness to engage further.

26. Oversight of the proposals will be through a Devolution Board made up of elected representatives from each participating Council.

Next Steps

27. The following show our key areas of focus in next phase: -

- **Submission of the EOI** (subject to approval) to Government by 19 December 2025, followed by further engagement and refinement based on feedback from Leaders, Chief Executives, and stakeholders.
- **Ongoing governance and oversight** via the Devolution Board, with regular updates to Cabinet and public consultation as the process evolves.
- **Build the proposal** through regular engagement, agreeing our geography and the size and scale of the MSA based upon criteria set out in the Devolution White Paper as follows:
 - 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.

- 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 continuity 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 residents to engage with and hold their devolved institutions to account – and local identity plays a key role in this.
- **Stakeholder engagement** with residents, businesses and public sector partners to explore devolution for our region.
- **Finalise proposal** with further decisions made at key points by Cabinet supported by Scrutiny.

Analysis and consideration of alternative options

28. The White Paper is clear that the Government intends that all of England be devolved by default and is committed to ending the deals-based approach. The Government will also legislate for a ministerial directive, which will enable it to directly create Strategic Authorities in any places where local leaders in that region have not been able to agree how to access devolved powers. Therefore the “do nothing” option could mean Government legislating on our behalf for devolution.
29. Opting to begin further discussions with Government on devolution would allow the Council to lead the definition of the MSA for our region. This will provide choice over the geography and the ability to determine the key priorities for our area.
30. Should this Council consent to an MSA at a future meeting, the mayor would have a seat at the Council of Nations and the Regions influencing government policy and ensuring local community voice is heard.

Corporate Policies and Priorities

31. The County Council's Corporate Plan sets out a vision for a "greener, fairer, healthier Oxfordshire," with strategic priorities around climate action, reducing inequality, improving health and wellbeing, and supporting inclusive economic growth.
32. Table 1 below sets out potential contributions and outcomes that could be delivered through the formation of an MSA.

Table 1	
Strategic Priority	MSA Contribution & Outcomes
Greener Oxfordshire	Regional climate action, integrated transport, green infrastructure, improved air quality.
Fairer Oxfordshire	Inclusive growth, more affordable housing, better skills and employment support, reduced inequality.
Healthier Oxfordshire	Joined-up health and care, reduced health inequalities, improved wellbeing.

Financial Implications

33. Oxfordshire County Council has already committed £10 million from earmarked reserves, which can be used towards the cost of local government reform and devolution (£1.2 million of which will be used for devolution). To date the costs of devolution have been limited to the costs of the Programme Director role and consultants advising on the economic analysis. These costs are shared amongst the Councils participating in discussions on devolution.
34. There are no direct financial implications arising from the submission of the EOI. As discussions with Government proceed the opportunity will arise to explore how growth in our economy could create significant social and economic uplift for our area and indeed, for the whole country. The Thames Valley is a positive contributor to HM Treasury.
35. Devolution and Local Government Reorganisation offer an opportunity to reset local government finances. In this context, the EOI submission seeks discussions with Government on developing innovative fiscal solutions to support investment into the Thames Valley Region. This reference to investment funding will also look to develop a more self-sufficient strategic authority that is not reliant on revenue gainshare and seeks inward investment through the private sector and funding institutions, as part of any regional investment strategy.

Comments checked by:

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Legal Implications

36. The submission of an EOI to open discussions with Government on devolution is an executive decision of Oxfordshire County Council as the upper-tier

authority. The Levelling Up and Regeneration Act 2023 (The Act), Section 45 allows for areas to collaborate to create new strategic authorities. The Act, Section 46 requires constituent councils to consent to devolution, which is defined in the Act, Section 10(11) as including only upper-tier councils. This Council has participated in all discussions regarding devolution for Oxfordshire and the wider region.

37. The English Devolution and Communities Empowerment Bill is currently under consideration by Parliament. It sets out seven competencies for MSAs: transport & local infrastructure; skills and employment support; housing and strategic planning; economic development and regeneration; environment and climate change; health, wellbeing and public sector reform and public safety. The Bill is not yet an Act of Parliament and therefore further detail on these competencies will be set out in Regulations made under the Act.
38. The Cabinet has the authority to formulate the council's overall policy objectives and priorities, which permits it to make this decision.
39. The English Devolution White Paper sets out the Government's intention that where the geographies of new Mayoral Strategic Authorities align with Police and Crime Commissioner and Fire and Rescue Authorities, Mayors will, by default, be responsible for those services. Where those boundaries do not currently align Government has said that it will look to align public sector boundaries to strategic authority boundaries.
40. Through the English Devolution and Communities Empowerment Bill, the Government will introduce a new bespoke duty for Strategic Authorities in relation to health improvement and health inequalities. Strategic Authorities will support partners in driving public service reform and the new devolution framework will set clearer expectations for Mayors' roles in local health systems and in improving population health.

Comments checked by:

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Staff Implications

41. There are no immediate implications arising from submitting the EOI. Should the Cabinet make a later decision to proceed with devolution the staffing implications will be considered in full at that time. [OBJ]

Equality & Inclusion Implications

42. There are no immediate equalities implications arising from this report. However, the purpose of forming an MSA is to bring an all-inclusive growth strategy to the Thames Valley Region. A strategy that ensures no one is left behind in the ambition to bring economic growth.

43. The expected benefits of devolution are to drive growth, enabling local leaders place more focus on inequality and living standards. An Equalities Impact Assessment will be developed against the different elements of devolution, as proposals progress.

Sustainability Implications

44. There are no immediate sustainability implications arising from these decisions. Government has indicated it will give strategic authorities a meaningful role in planning for our future energy system, establishing heat network zoning in England and leading on local nature recovery. The detail of these various policies are to follow as the English Devolution and Community Empowerment Bill proceeds through Parliament.

Risk Management

45. Risks are considered in the report.

Consultations

46. The EOI was developed collaboratively, with input from local authority Leaders and Chief Executives.
47. The EOI is a strategic step to initiate formal discussions with Government, with public and stakeholder engagement planned should the Government accept the Council onto the devolution programme.
48. Devolution is a collaborative process which will require continuous engagement and collaboration between local authorities and with residents, public sector institutions including the NHS, Police and Fire Authorities, businesses, and further and high education providers and other key local organisations and businesses.
49. It is also vital that residents are involved at the earliest opportunity to inform and shape the process. It will not be possible to carry out resident engagement prior to submitting an EOI but it is expected that resident engagement would begin after Government agrees to further discussions.

MARTIN REEVES
Chief Executive

Appendix 1: Expression of Interest (EOI)

Background papers: [English Devolution White Paper](#)
[English Devolution and Community Empowerment Bill](#)

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