



Ministry of Housing,
Communities &
Local Government

Guidance

English Devolution and Community Empowerment Bill: Guidance

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Applies to England

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Introduction

This guidance outlines the purpose of the English Devolution and Community Empowerment Bill.

The [English Devolution White Paper](https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth) (<https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth>), published 16 December 2024, set out the need for nothing less than a completely new way of governing – a generational project of determined devolution.

The English Devolution and Community Empowerment Bill is fundamental to delivering that new way of governing but is supported by a range of other programmes to provide places with the tools they need to deliver the government's ambitious Plan for Change.

Since the White Paper was published, the government has:

- Confirmed through the Spending Review that Greater Manchester and West Midlands will be joined by 5 more areas (London, Liverpool City Region, South Yorkshire, North East and West Yorkshire) in receiving Integrated Settlements from 2026-27, giving nearly 40% of England greater freedom in choosing how best to spend money for their areas.
- Established 2 new Mayoral Strategic Authorities in Greater Lincolnshire, and Hull and East Yorkshire and 2 new Foundation Strategic Authorities in Devon & Torbay and Lancashire.
- Announced the Devolution Priority Programme providing 6 more areas with the opportunity to establish a Mayoral Strategic Authority. Taking forward the 6 new areas, in addition to the devolution already agreed, would mean that the proportion of England covered by devolution rises to 77% or just over 44 million people.
- Provided Adult Skills functions to East Midlands, York and North Yorkshire and Cornwall.
- Provided for all of the country to deliver Spatial Development Strategies through the Planning and Infrastructure Bill.
- Invited proposals and received initial responses from 21 areas to undertake local government reorganisation.
- Established the Workforce Development Group as a partnership with the local government sector to help tackle workforce issues facing local government.
- Consulted on reforms to strengthen the standards and conduct framework for local authorities in England and on enabling remote attendance and proxy voting at local authority meetings.

- Set out new reforms to repair the broken local audit system, backed by up to £49 million of support to help councils to clear their audit backlogs and cover the additional cost of restoring audit assurance.
- Announced a new national commitment to improving up to 350 deprived communities and a £500 million investment in ‘trailblazer neighbourhoods’ pilots.

The English Devolution and Community Empowerment Bill is central to reinforcing these achievements. It will support the government’s ambition to rebalance power away from central government so that local leaders can take back control and increase prosperity for local people by creating a default framework available in law which includes new powers to enhance the offer for devolved areas across England. The Bill will also drive positive outcomes for communities and places across England.

The Bill includes measures that fall under 3 broad sections:

- **Devolution:** describing devolution structures, outlining and expanding powers for Mayors and authorities through the new Devolution Framework and explaining routes to devolution for places that don’t have it.
- **Local government:** ensuring the process for local government reorganisation supports the ambition in the White Paper, outlining changes to local authority governance, reforming accountability and introducing effective neighbourhood governance structures to amplify local voices.
- **Communities:** giving more power to local communities to purchase assets of community value and making reforms to commercial leases.

Devolution

1. Structures

1A. Strategic Authorities

The government believes devolution is fundamental to its plans to drive growth, create joined-up delivery of public services and ensure politics is being done with communities, not to them. To help the government achieve its aims, the English Devolution and Community Empowerment Bill will create in law a new category of authority in England, the “Strategic Authority.” This new category will make it quicker and easier to devolve powers away from Westminster to local government.

The government aims to introduce a Strategic Authority for each area in England, working with local areas in doing so. In much of the country, institutions already exist that will be classified as Strategic Authorities by the Bill. The types of institutions that will become Strategic Authorities are:

- **Combined Authorities** – a group of two or more councils that collaborate and take collective decisions across council boundaries on matters that have been devolved to them by the Government, such as transport or economic development and regeneration. Combined Authorities typically cover a single-tier area where only unitary councils exist and Government will only introduce new Combined Authorities in those areas. Councils that come together to form a Combined Authority are called constituent councils. Combined Authorities can be either mayoral or non-mayoral. Examples of Combined Authorities are the Greater Manchester Combined Authority and the West of England Combined Authority.
- **Combined County Authorities** – similar to Combined Authorities outlined above but covering two-tier areas where both upper-tier and district councils exist. Additionally, unlike Combined Authorities, only the upper-tier councils (county councils and unitary councils) can be constituent councils. Examples of Combined County Authorities are the East Midlands Combined County Authority and the Devon and Torbay Combined County Authority.
- **The Greater London Authority (GLA)** – the strategic governing body for London. The GLA is comprised of the Mayor of London who sets London-wide policy and makes decisions on key issues, and the London Assembly, which scrutinises the exercise of the Mayor of London's functions and conducts investigations into London issues.
- In rare cases, a single council which reached an agreement with government to access non-mayoral devolution could be designated a strategic authority.

To streamline devolution across England, each Strategic Authority will belong to 1 of these levels of devolution:

- **Foundation** – available to those authorities without an elected Mayor, Foundation Strategic Authorities will have limited devolution and include non-mayoral Combined and Combined County Authorities as well as single councils that have been specially designated as a Strategic Authority.
- **Mayoral** – available to areas with an elected Mayor, Mayoral Strategic Authorities will have greater devolution and include mayoral Combined and Combined County Authorities.
- **Established Mayoral** – available to Mayoral Strategic Authorities who are able to satisfy additional governance requirements. Established Mayoral Strategic Authorities will have access to the broadest range of devolved powers and functions, including the ability to request further

devolved powers from the government. The government will officially name those it has already announced as Established Mayoral Strategic Authorities shortly after the Bill becomes law. The White Paper sets out the criteria by which further Mayoral Strategic Authorities could become Established.

A Strategic Authority can progress through the levels of devolution but each level is exclusive, meaning a Strategic Authority cannot be in more than one level at any one time.

Strategic Authorities will not replace councils. Strategic Authorities have been created to tackle regional issues and capitalise on the opportunities that exist over a significant geographical area, such as pursuing a more integrated transport network. Councils will continue the important work of representing local communities and delivering key public services like adult social care.

1B. Devolution Framework

Under previous governments, places negotiated the powers and funding available to a Strategic Authority through individual devolution deals in different parts of England (e.g. in Greater Manchester or the West Midlands). This has led to inconsistency in powers between places. To change this, this government will roll out devolution by default via a standardised Devolution Framework.

The Devolution Framework is a standardised set of legal powers, funding commitments, and partnership/collaboration arrangements with government. It sets out what Strategic Authorities are entitled to at each level of devolution. Strategic Authorities with elected Mayors will be entitled to a more expansive offer than those without.

The English Devolution and Community Empowerment Bill will give the legal powers in the Framework automatically to each level of Strategic Authority. It will also unblock decision-making in Combined and Combined County Authorities by creating a standard voting method – a simple majority, including the mayor where there is one, will be required to make most decisions.

The government recognises the need to continue and deepen devolution. There are 3 ways in which the Bill will support this:

1. The Bill will create a power to **expand the Devolution Framework over time** using secondary legislation – giving more powers to devolved areas.
2. The Bill will create the ability for **specific Strategic Authorities to pilot devolved powers** before the government decides whether to add them to the Devolution Framework and make them available to all Strategic Authorities. This will make it easier to deepen devolution over time. These processes will also allow for differences in decision making and

governance arrangements in exceptional circumstances (e.g. if something is to be exercised solely by the Mayor or jointly with another body.)

3. The Bill will **empower Established Mayoral Strategic Authorities with a ‘right to request’** which allows them to propose further powers, funding and partnerships to expand the Devolution Framework. The government will be required to officially respond to these requests.

2. What duties and powers will devolved areas receive?

2A. Role of Strategic Authorities

Strategic Authorities will have the ability to perform functions in the following areas:

- transport and local infrastructure
- skills and employment support
- housing and strategic planning
- economic development and regeneration
- environment and net zero
- health, wellbeing and public service reform
- public safety

These are referred to as a Strategic Authority’s “areas of competence” and are outlined in the English Devolution and Community Empowerment Bill.

The areas of competence set a framework for the functions, funds, and partnership arrangements that Strategic Authorities have and could have in the future. The exact functions and duties a Strategic Authority will have, and the governance arrangements they must operate within, are specified in the Bill or in other Acts. They are also collected together in the updated Devolution Framework. You can read these through in detail via the Devolution Framework Explainers.

The functions given to Strategic Authorities via the Bill are below.

2B. Transport and Local Infrastructure

Strategic Authorities have a key leading role on transport planning and delivery for their areas, becoming what is known as the ‘Local Transport Authority’ for their area. In areas where there is not yet a Strategic Authority, the upper tier council (unitary council or county council) holds this role. In

addition to this, the Bill will also introduce a number of new powers and responsibilities for Strategic Authorities relating to transport.

As the Local Transport Authority, Strategic Authorities will have oversight of local transport networks (e.g. bus networks, or tram and light rail networks where these exist) and the relevant powers and functions to effectively manage these networks. This will include a legal responsibility to make sure passenger transport services are provided where appropriate. They will also have powers to manage travel concessions which are discounts or free travel on public transport offered to certain groups of people.

Strategic Authorities will be responsible for producing a Local Transport Plan that sets out their local transport policies and how these will be delivered. Constituent councils will be required to implement the Local Transport Plan as relevant in their area, for example by using their local highway or traffic powers to deliver policies in the Local Transport Plan to improve bus services. As Strategic Authorities also lead on growth and spatial planning for their areas, the government will expect Local Transport Plans to align with these key strategies.

To allow Strategic Authorities to carry out their transport functions effectively, the Bill will allow them to charge a transport levy to their constituent councils to fund their activities. A transport levy is a compulsory financial charge paid by the constituent councils of a Strategic Authority. The Strategic Authority will also be able to pay grants to constituent councils when needed to help with the delivery of transport activities, for example where a constituent council delivers improvements to a road (e.g. adding bus or cycle lanes) .

While the day-to-day management of local roads will remain the responsibility of constituent councils, the Bill will set an expectation that all Strategic Authorities should play a coordination role in relation to the local road networks in their area (for example by streamlining arrangements across their area by agreeing a single set of highway design standards). Strategic Authorities will also, with the consent of their constituent councils, be able to enter into agreements with highways companies and other authorities to undertake improvements or maintenance of roads.

Mayoral Strategic Authorities will have additional powers. They will be required to set up and coordinate a Key Route Network to ensure strategic oversight of the most important local roads in their area. Mayors will hold a Power of Direction over constituent councils' use of their local highway and traffic powers on this Key Route Network, to support delivery of the Local Transport Plan. The government will review the effectiveness of this Power of Direction two years after implementation. Mayors will also be given a legal power to set Traffic Reduction Targets on the Key Route Network. This could be aimed at addressing environmental concerns caused by excessive road traffic, reducing road congestion and promoting sustainable transport strategies.

The Bill will allow all Local Transport Authorities (including Strategic Authorities where they exist) to regulate on-street micromobility schemes through a licensing regime. Micromobility operations include a range of small, lightweight vehicles like bicycles and e-bikes, typically used for short trips. Initially, this regulatory power will be limited to shared cycle services (where people can hire bicycles for short journeys or to explore a certain area). However, the regime is designed with the flexibility to add other micromobility operations in future if these begin to have an impacts on shared street space (e.g. blocking pavements). For example, this could mean expanding to include shared e-scooter schemes or pavement delivery devices, should further regulation of those vehicles enable them to fall under the framework in the future.

The approach to licensing will involve minimum standard conditions set by the Secretary of State for Transport to ensure a consistent baseline of operability and safety for all schemes. Licensing authorities will then be able to add additional local conditions to shape these schemes around their needs, connect people to public transport, and tackle issues with badly parked shared cycles.

Many local authorities in England have taken on powers to issue Penalty Charge Notices to drivers who disobey certain traffic signs, such as those indicating bus lanes, 'no entry', banned turns, access restrictions, or yellow box junctions. To enable improved management of road traffic, Strategic Authorities will be able to apply to the Secretary of State to take on these powers too, provided that any constituent councils that have designated enforcement powers are content for them to do so.

2C. Skills and employment support

The government supports Strategic Authorities having a greater role in skills and employment support.

The English Devolution and Community Empowerment Bill will transfer adult education functions from central government to Strategic Authorities. This will enable the Department for Education to give Strategic Authorities a grant for adult skills called the Adult Skills Fund. Strategic Authorities can use this as they see fit to meet the skills needs of adults in their region. A grant means the money is not repayable to government.

The Adult Skills Fund (ASF) will fund skills training for eligible adults aged 19 and above from pre-entry to level 3, supporting adults to gain the skills they need for work, an apprenticeship or further learning.

There is a legal entitlement to full funding for certain adult learners, which Strategic Authorities are required to honour. Strategic Authorities will need to ensure that learners aged 19 and over in their area, who are eligible for funding, have access to appropriate education and that learners who are eligible for full funding are not charged for their training.

As set out in the Apprenticeships, Skills and Children Learning Act 2009, eligible adult learners are fully funded for the following qualifications:

- English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* - C or grade 4, or higher, and/or
- First full qualification at level 2 for individuals aged 19 to 23, and/or
- First full qualification at level 3 for individuals aged 19 to 23
- Essential digital skills qualifications, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

Beyond these legal entitlements, Strategic Authorities will have significant local discretion about how to exercise this function and use the Adult Skills Fund. Allocations to Strategic Authorities for this work will be given on a non-ringfenced basis which means there are minimal conditions attached to funding. This is to enable local areas to use the funding in the best way for their areas.

Subject to a transition period, the Bill will automatically transfer functions relating to adult education to any new Strategic Authorities as and when they are formed in the future.

2D. Housing and strategic planning

In the English Devolution White Paper, the government recognised the important role Mayors will play in supporting our 1.5 million homes commitment in this Parliament. This Bill will give Mayors of Combined Authorities and Combined County Authorities new planning powers, similar to those exercised by the Mayor of London.

This will include the ability to direct refusal of planning applications of potential strategic importance (e.g. especially large, or prominent schemes) and the ability to call in these applications. The call-in powers would allow for Mayors to take a closer look at strategically important development applications, for example where a local planning authority is likely to refuse development despite it supporting the spatial strategy for the area. This will help unlock beneficial development for Mayoral areas. The Mayor of London has had these powers since 2008.

Under the Planning and Infrastructure Bill, Strategic Authorities will also be required to publish a Spatial Development Strategy (SDS), which sets out the vision for development across their areas. Mayors will be able to use the planning powers outlined above when they have an SDS in place.

To further enable development, the English Devolution and Community Empowerment Bill will also give Mayors of Strategic Authorities the ability to prepare Mayoral Development Orders (MDOs) and streamline the process

for their creation. An MDO is a tool which can be used by the Mayor to grant planning permission for a particular development instead of relying on an application to be submitted. The Bill also streamlines the process for MDOs. Currently, Mayors require the consent from local planning authorities (LPAs) before preparing an MDO and require their consent to consult on the order. The Bill will remove these requirements, enabling the Mayor to take a more proactive role in promoting growth. However, LPAs will continue to have a role. They will be consulted and be required to approve the MDO. Where the LPA(s) do not approve the order, the Mayor can request that the Secretary of State approve the order instead. This will likely be dealt with through an Inquiry procedure, led by an Independent Planning Inspector.

In the English Devolution White Paper, the government set out its proposal for Mayors of Strategic Authorities to be able to charge developers a Mayoral Community Infrastructure Levy (CIL) if they have a Spatial Development Strategy in place. The Mayoral CIL is a charge which can be imposed by the Mayor on new development in their area. It is an important tool that places can use to help them deliver the infrastructure needed to support development in their area. The Mayor of London has exercised this power since 2012 to help finance the Elizabeth Line (Crossrail). The Bill will deliver on this commitment by enabling Mayors of Strategic Authorities to be CIL charging authorities.

The Secretary of State will have the power to set conditions or requirements which must be satisfied for the Mayor to charge a CIL, for example ensuring that a Spatial Development Strategy is in place. Mayors will also require a simple majority of constituent councils to approve a Mayoral CIL charging schedule which sets out the rates for the levy. Mayors will have the casting vote in the event of a tie.

Finally, the Bill will give all Mayors of Strategic Authorities the power to designate a Mayoral Development Area (MDA) and establish a Mayoral Development Corporation (MDC).

A Mayoral Development Corporation (MDC) is a statutory corporate body, set up by a Mayor. Historically, development corporations have delivered large and complex development and regeneration projects. Development corporations provide the benefits of geographic focus, broad planning and land assembly powers, and the ability to attract inward investment, as well as harness private sector delivery expertise.

The Localism Act 2011 first introduced provisions allowing the Mayor of London to 'designate' MDAs – essentially drawing a line to establish the boundary of the Area – and establish an MDC to deliver regeneration in that Area. Since then, other Mayors have received this power. However, the Bill will ensure it is available to all Mayoral Strategic Authorities. Government hopes this will create a substantial increase in the designation of MDAs and establishment of MDCs by Mayors of Strategic Authorities across the

country, further promoting the use of MDCs to deliver large-scale regeneration and development.

2E. Economic growth and regeneration

Opportunities for economic growth are spread unequally across the country. Some places are held back because they need better transport, others need more housing, and some need better opportunities for more people to get the right skills. To help identify and address these challenges, the government has asked every Mayoral Strategic Authority to produce a Local Growth Plan. Local Growth Plans will provide a focus for other plans to set out how and where they can support economic growth in the region. To support this, the Bill will introduce two legal responsibilities.

The first legal responsibility requires all Mayoral Strategic Authorities (except the Greater London Authority) to produce a Local Growth Plan that must contain an economic overview, shared priorities agreed with government, and an investment pipeline. This will ensure that anybody reading the plan can understand what the region's key economic strengths and challenges are, where the Mayoral Strategic Authority and the government will focus their work together to address certain challenges, and where public and private organisations can invest to support growth. More detail on these 3 elements will also be provided through guidance. The Bill will enable the government to make this guidance stronger, by giving it legal weight (making it 'statutory' guidance). The Greater London Authority is already required to produce an economic development strategy. This plays a similar role to the Local Growth Plans in other Mayoral Strategic Authorities.

The second legal responsibility requires certain public organisations to 'have regard' to the shared priorities of each Local Growth Plan, if they are relevant to what they do. Because the Greater London Authority will not be required to produce a Local Growth Plan, their shared priorities may be published elsewhere. This means that the organisations that are named will have to consider whether they can contribute to delivering those shared priorities. Any organisation that has this responsibility will be required to consider the 'shared priorities' whenever they are bidding for government funding, they develop a plan or strategy that relates to one or more shared priorities, or if asked to by a Mayoral Strategic Authority. The organisations that must do this will be named in regulations after the Bill receives Royal Assent.

Together, these two responsibilities will support Mayoral Strategic Authorities to use their powers to grow their regional economies. They will also help all parts of government to see where they can support this growth.

In addition to Local Growth Plans, the Bill will also require Strategic Authorities to work with Local Government Pension Schemes. The Local Government Pension Scheme (LGPS) is the largest funded pension scheme in the UK. It is managed locally by 86 local authorities, known as

administering authorities, with total invested assets of almost £400 billion. Strategic Authorities will work with LGPS on local projects which deliver social or economic benefits for local communities as well as the financial returns necessary to pay pensions. The purpose is to increase LGPS investment in local projects and make sure it contributes to local priorities. A separate bill, the Pension Schemes Bill, will place a legal responsibility on the LGPS administering authorities to work with Strategic Authorities.

2F. Environment and climate change

The government remains committed to protecting the natural environment and tackling climate change. Strategic Authorities play a vital role in preparing for the future and safeguarding biodiversity as well as advancing the green transition.

While the Bill does not transfer statutory environmental or climate-related functions to Strategic Authorities, the government recognises the importance of local leadership in these areas. As part of its ongoing commitment to deepen devolution, the government will continue to explore future opportunities for devolution in this area and will work closely with Strategic Authorities.

2G. Health, wellbeing and public service reform

Strategic Authorities should play an active role in ensuring positive health outcomes in their areas.

The Bill will introduce a new legal requirement for almost all Strategic Authorities to ‘have regard’ to the need to improve the health of people in their areas and reduce health inequalities between people living in their areas when they act. “Health inequalities” are defined as inequalities of life expectancy or general state of health resulting from differences in general health determinants like standards of housing, transport services, public safety and employment prospects. This requirement will not apply to the Greater London Authority (GLA) and any single local authority designated as Strategic Authorities as they have existing and overlapping public health duties which will be retained.

This responsibility means that when a Strategic Authority uses any of its powers and functions it must consider and seek to minimise any negative effects it might have on the health of the people living there as well as any impact it might have in increasing health inequalities. It will ensure Strategic Authorities consider how their actions will impact wider health outcomes across their areas and will give them a stronger role as active leaders for health, supporting their engagement with wider health and care system partners.

This will also reinforce the government’s ambition to make sure health is considered in all policies, supporting the health mission in England to halve the gap in healthy life expectancy between the richest and poorest regions.

2H. Public safety

The government is committed to increasing the number of mayors with Police and Crime Commissioner (PCC) and Fire and Rescue Authority (FRA) functions. This is because Mayors have broader local powers than PCCs and giving them the PCC and FRA functions enables them to join up local services and take an integrated approach to improving local outcomes.

Police and Crime Commissioners (PCCs) aim to cut crime and deliver an effective and efficient police service within their police force area. They are elected by the public to hold the police force to account on their behalf. PCCs also make sure the police force budget is spent effectively. Fire and Rescue Authorities (FRAs) are statutory bodies made up of elected members from local authorities, responsible for overseeing the policy and service delivery of a local fire and rescue service. They ensure the fire service efficiently serves the public and community. These authorities set strategic direction, budgets, and ensure cost-effective, efficient, and legally compliant service delivery.

Through this Bill, where mayoral geographies align with police force and FRA geographies, Mayors will be, by default, responsible for exercising these functions. The Bill will also allow Mayors to exercise PCC functions over more than one police force area, where those forces align with a mayoral geography. This is already possible for FRAs, although the Government may explore mergers of FRAs under one Mayor rather than operate two distinct ones within one Mayoral Strategic Authority. Where a Mayor does exercise PCC functions, the Bill will ensure that they appoint a Deputy Mayor for Policing and Crime for each force area in which they exercise those functions. For example, if a Mayoral Strategic Authority covers two police force areas, they will be required to appoint a Deputy Mayor for Policing and Crime for each one.

In some areas, police forces will cover parts of two different Strategic Authorities. In this case, the Mayor will not be responsible for exercising police functions.

To support the alignment of police force and fire boundaries, the Bill will allow the relevant Secretary of State to change police and fire boundaries at the same time as transferring PCC and FRA functions to Mayors of Strategic Authorities.

2I. Mayoral Powers of Competence

The Government has highlighted the significant role Mayors of Strategic Authorities can play in their local communities. To empower Mayors, the English Devolution and Communities Empowerment Bill will give Mayors of Strategic Authorities new powers known as 'the Mayoral Powers of Competence.' These powers will strengthen the role of a Mayor, by giving them the means to drive growth, collaboration and improvements within their areas.

The Mayoral Powers of Competence are made up of:

- the General Power of Competence – a broad general power enabling Mayoral Strategic Authorities, and their Mayors, to do anything an individual can legally do
- a power to convene – enabling Mayors to convene local partners to address local challenges
- a duty to respond – placing a duty on local partners to respond to a Mayor's request when they make use of the power to convene
- a duty to collaborate – ensuring that Mayors have a formal process by which they can collaborate with neighbouring Mayors to deliver projects and strategies together

A list of 'local partners' will be set out in regulations and will include organisations such as local authorities, NHS partners, police and fire services and organisations providing other public services.

3. London

The Greater London Authority (GLA) is an Established Mayoral Strategic Authority and will be formally made as such via the Bill. The GLA was set up differently to other Mayoral Strategic Authorities and has a different devolution settlement, so the powers and duties in the Devolution Framework will be applied to the GLA on a case-by-case basis. This will enable the GLA to benefit from the Devolution Framework, while maintaining its bespoke arrangements. We will set out how the powers in the devolution framework apply to the GLA in the Devolution Framework explainer.

As with other Established Mayoral Strategic Authorities, the GLA will benefit from the 'right to request' and the powers to add to the devolution framework and pilot functions before doing so. The Bill will give the government the power to devolve and pilot powers for the GLA and/or its functional bodies either alongside other Strategic Authorities or to the GLA and/or a functional body only.

The GLA's functional bodies provide statutory public services that the Mayor oversees as well as two Mayoral Development Corporations (MDCs). The functional bodies are:

- Transport for London (TfL)
- The London Fire Commissioner (LFC)
- The Mayor's Office for Policing and Crime (MOPAC)

- The London Legacy Development Corporation (LLDC)
- The Old Oak and Park Royal Development Corporation (OPDC)

Before devolving or piloting a power to the GLA or a functional body, the government or the GLA will need to consult London Borough Councils, the City of London and the London Assembly, in line with existing arrangements for when the government designates a power to the Mayor.

The Bill will also enable Transport for London (TfL) to dispose of operational land without the consent of the Secretary of State. Before disposing of operational land, TfL will be required to consult Network Rail, to ensure the wider impacts on the rail network are considered before a decision is made. This measure will support regeneration in London by simplifying the process by which operational land is disposed for development.

4. Reforms to how Strategic Authorities operate

4A. Remuneration of constituent members

Mayors often appoint constituent council members to carry out vital work for the Strategic Authority in areas such as housing and transport. However, the majority of Strategic Authorities are currently unable to pay members for this work. Members should not be expected to do important work for free, and constituent councils should not foot the bill for work done in service of another body. The Bill will change this so that constituent council members can be paid by the Strategic Authority. The level of pay will be determined by the Strategic Authority's independent remuneration panel. Additional technical details will be provided in statutory guidance.

4B. Commissioners

In addition to allowing Strategic Authorities to remunerate members, Mayors will also be able to appoint and remunerate 'Commissioners' to lead on 1 of 7 'areas of competence', to increase capacity for strategic authorities and give the mayor more flexibility in how they choose to deliver for their area. They will not be members of the Strategic Authority, and will be similar to the Mayor of London's existing powers to appoint Deputy Mayors, which will remain for London. If they choose to appoint them, Mayors will determine the portfolios of the Commissioners so they are tailored for their authorities. They will also be able to delegate some functions to a Commissioner.

Where a Mayor exercises the Police, Fire and Crime Commissioner function they will continue to be able to appoint a Deputy Mayor for Policing and Crime to provide leadership and to either ask them to take on the same role for Fire or appoint a separate Public Safety Commissioner to take on Fire responsibilities. In areas where the Mayor does not hold the Police and Crime Commissioner function, they can still appoint a Public Safety

Commissioner but they will have no role in the work undertaken by the Police and Crime Commissioner.

Additional technical details will be provided in statutory guidance.

4C Mayor and MP roles – preventing ‘dual hatters’

The post of Mayor is a significant role at the forefront of delivering change. It demands the full attention of any post holder. The Bill will prohibit individuals from holding the office of Member of Parliament (or being a member of the devolved legislatures in Scotland, Wales and Northern Ireland) and Mayor simultaneously.

4D. Precept

A mayoral council tax precept is an optional levy that the Mayor of a Strategic Authority can add to council tax in their area. This revenue can be used to fund mayoral priorities, such as projects to create growth, or funding fire and rescue services.

Previously, Mayors could not raise money to spend on all their functions, including for some areas vital to growth like adult skills provision. The Bill is changing the scope of the precept so it can be used for all Strategic Authority functions.

4E. Budget voting arrangements

Currently, the voting arrangements on financial matters are different in each Strategic Authority. Some areas require a majority of members to vote in favour to pass a budget, while others require a unanimous vote. Some give the Mayor a vote and some do not. To address this, the Bill will apply the new standard voting method of a simple majority, which must include the mayor, for votes on Strategic Authority budgets.

These changes will not apply to the Greater London Authority, or any single Local Authority designated as a Foundation Strategic Authority, given their different legal constitution.

5. Voting system

Currently, Mayors and Police and Crime Commissioners (PCCs) are elected using the First Past the Post system. When voting under this system, each elector casts a single vote for their preferred candidate, and the candidate with the most votes is elected.

This is a simple voting system but it can lead to individuals being elected with only a small proportion of the total votes cast. The government believes that Mayors and PCCs should be elected with a greater consensus among

their electors. Therefore, the Bill will change the voting system for these types of elections to the Supplementary Vote system.

When voting under the Supplementary Vote system, each elector selects their preferred candidate, and they can also select a second preference if they wish. When the votes are counted, if a candidate receives more than 50% of the first preference votes they are elected. If not, then the top two candidates with most first preference votes go through to a final round, and the other candidates are eliminated. If the votes for any of the eliminated candidates selected a second preference for either of the remaining candidates, then they are reassigned to that candidate. The votes are then recounted, and the remaining candidate with most votes is elected.

This process will ensure that a winning candidate will need to receive a broader level of support.

6. Future devolution - what next?

6A. Becoming a Strategic Authority

Strategic Authorities can be Combined Authorities, Combined County Authorities, the Greater London Authority, and, in some cases, individual councils. All Combined Authorities, Combined County Authorities and the Greater London Authority will be Strategic Authorities by default.

There are 3 main routes to becoming a Strategic Authority in England:

1. Councils may come together to form a locally-led proposal to establish a new Combined Authority or Combined County Authority for their area.
2. The Secretary of State may propose the establishment of new Combined Authorities or Combined County Authorities for areas. This proposal would require consent from local places.
3. The Secretary of State may invite a single local authority to become a non-mayoral foundation Strategic Authority (SFSA). This would happen if a situation arose where it proved challenging for a Combined Authority or Combined County to be established across a particular area at this stage of its devolution journey and would be an interim arrangement.

Alongside the regular routes to devolution outlined above, this Bill will introduce a new route which will enable the Secretary of State to establish new Strategic Authorities or expand existing institutions without the consent of local areas. Our commitment to working in partnership holds firm, and so the government will limit its use of this power to instances when other routes to establishing a Strategic Authority have been exhausted. We will also introduce a route for the Secretary of State to require an existing non-

mayoral CA or CCA to transition to have an elected Mayor, allowing areas to move ahead with their devolution journey and access further powers.

6B. Streamlining and conversion of Strategic Authorities

The Bill will streamline the processes for establishing new Strategic Authorities, making it quicker and simpler to roll-out devolution to more people and places across England. Where councils come together to submit a locally-led proposal for a new institution, collection of consents from constituent members and consultation will happen early in the establishment process, removing current requirements to repeat these steps later. For areas where the Secretary of State is leading the development of a proposal, local consent will also be early on in the process. Secondary legislation to establish new authorities will also be simplified to focus specifically on institutional setup and governance arrangements; all strategic authorities will be given their functions via the new Devolution Framework.

In some instances, the Secretary of State may use the new Ministerial Powers of Direction included in the Bill to:

- require the establishment of a new Strategic Authority in an area
- expand the boundaries of a Strategic Authority
- accelerate the process of becoming a Mayoral Strategic Authority

Where this is the case, the Secretary of State will assume responsibility for driving forward the process of delivering devolution – or changes to devolution arrangements.

Where local government reorganisation has been undertaken within an existing Combined County Authority area (CCA), the Bill will allow for a streamlined ‘conversion’ of the CCA to a Combined Authority (CA) to reflect these changes and update governance and membership arrangements. The change prevents the need to abolish the CCA following local government reorganisation and allows for property, functions, commitments and staff to be maintained during the change. The power is for use when local government reorganisation within a CCA means the requirement to contain both a county and district council, as set out in the Levelling Up and Regeneration Act 2023, is no longer met.

Local government

1. Structures

1A. Local Government Reorganisation

The English Devolution White Paper sets out the government's intention for England to be fully covered by unitary authorities. Some areas are currently covered by a two-tier structure of local government, i.e. where some functions are performed by a county council and others by a district council. Local Government Reorganisation (LGR) is the process of consolidating the two-tier local government structure into a single unitary authority, which performs the functions of both tiers.

The Bill will reinstate the ability for the Secretary of State to be able to direct councils to submit proposals to reorganise two-tier areas into a single unitary tier (unitarising one or more two-tier areas). This power has previously been held by the Secretary of State, though it expired in January 2008 due to a sunset clause in the legislation. Following the Bill, the rest of the process to enact LGR will be the same as now. Areas submit proposals and the Secretary of State may decide, subject to Parliamentary approval, to implement a proposal with or without modification, or to not implement any proposal for an area. If required, the Secretary of State may also seek advice from the Local Government Boundary Commission for England.

At the current time, invitations have been issued to all two-tier areas in England and councils across the country are working hard to produce proposals. As such, the government will only use this power should it prove necessary to achieve stability for local government across England and increase value for money for council taxpayers.

To achieve the government's vision for simpler local government structures, the Bill will also enable the Secretary of State to invite or direct existing unitary authorities to submit a proposal for merging with other unitary authorities, for example for councils who feel that structural change will help them get onto a more sustainable footing.

The Bill will also grant the Secretary of State for Housing, Communities and Local Government the power to abolish an existing Combined Authority (CA) or Combined County Authority (CCA) in certain circumstances as part of implementing LGR. This power can only be used where LGR will mean a CA/CCA can no longer function, because the LGR causes a unitary authority to cover or include the entire geographic area of a CA/CCA. This power will rarely be used and impacts on devolution will be considered during the decision process of LGR.

1B. Local authority governance

Previously, councils in England were able to choose between 3 different governance models: Mayor and Cabinet, Leader and Cabinet, and the

committee system. As a result, councils are left with complicated governance arrangements.

The Bill will move away from this arrangement by abolishing the committee system and preventing the creation of any new local authority Mayors. Those councils operating a committee system will move to operate a leader and cabinet model, whilst the remaining councils with existing Mayors will have the option to continue with an elected Mayor, or transition to a leader (and therefore the leader and cabinet model) should they wish.

The committee system can be unclear, duplicative and wasteful. Requiring all councils which operate the committee system to transition to the leader and cabinet model (which the vast majority of councils currently operate) will simplify the governance system and ensure all councils operate an executive form of governance. This will provide clarity on responsibility and accountability and improve efficiency in decision making. To avoid the potential confusion caused by the establishment of new Mayors for Strategic Authorities and for councils, we will prevent the establishment of any new council mayoralities, but we will not abolish the existing 13 council mayoralities.

For the majority of councils this means no change, as around 80% of councils already operate a Leader and Cabinet model, and the majority of councils currently operating a committee system would be moving to leader and cabinet as part of local government reorganisation.

Councils still operating the committee system who are not part of local government reorganisation will be given one year from the date of the legislation coming into force to make the transition.

2. Accountability

2A. Local audit reform

Local bodies in England – including councils as well as police, fire, transport and other bodies – produce accounts for each financial year. These accounts are subject to external audit. This is important for ensuring accountability and transparency with regard to taxpayers' money.

However, the local audit system is broken – as evidenced by an unprecedented backlog of unaudited accounts. By September 2023, there were 918 outstanding audits. Only 1% of audited accounts for financial year 2022-23 were published by the original deadline.

The government has taken swift action to clear the audit backlog, but deep-rooted systemic challenges remain. These include a shortage of auditors and audit firms; responsibility for oversight and regulation being spread

across many organisations; and overly complex financial reporting and audit requirements.

In December 2024, the government published a [strategy and consultation on measures to overhaul the local audit system](https://www.gov.uk/government/consultations/local-audit-reform-a-strategy-for-overhauling-the-local-audit-system-in-england) (<https://www.gov.uk/government/consultations/local-audit-reform-a-strategy-for-overhauling-the-local-audit-system-in-england>). The strategy set out a clear purpose for local audit and its users, proposals for simplified and proportionate financial reporting, improvements to the system's capacity and capability, and ways to build strong relationships between local bodies and auditors.

The Bill will establish a new body – the Local Audit Office (LAO) – to oversee local audit and to simplify and streamline the currently fragmented system. Its remit will include:

- coordination of the local audit system
- standard-setting
- contracting auditors
- appointing auditors to local bodies
- quality oversight and reporting

It will also support and enable wider measures to address pressing challenges, including reforms to financial reporting; strengthening audit capacity and capability; and establishing public provision of audit to support the private market.

In addition, MHCLG published a [response to consultation feedback](https://www.gov.uk/government/consultations/local-audit-reform-a-strategy-for-overhauling-the-local-audit-system-in-england/outcome/local-audit-reform-government-response-to-the-consultation-to-overhaul-local-audit-in-england) (<https://www.gov.uk/government/consultations/local-audit-reform-a-strategy-for-overhauling-the-local-audit-system-in-england/outcome/local-audit-reform-government-response-to-the-consultation-to-overhaul-local-audit-in-england>) in April 2025, which included 16 further commitments, including measures that will be taken forward separately to this Bill.

Communities

1. Community Right to Buy

Since 2012, community groups have been able to nominate any building or land that has an important social purpose for the community as an Asset of Community Value (ACV). If the owner puts their asset up for sale, there is a

6-month period, known as a moratorium, in which community groups can put together a bid to buy the asset to protect it for community use. However, the owner may currently sell the asset to whoever they like at the end of this period.

As a result, the current system has often failed to protect our valued community spaces, such as pubs, shops and community centres. The government wants to give communities stronger powers to purchase the assets that are important to them.

The Bill will introduce a new Community Right to Buy which will mean that, when an ACV is put up for sale by its owner, community groups will be given the first opportunity to purchase this asset. The community group and asset owner will either negotiate a price for the asset, or an independent valuer will set a price based on the market value. Under Community Right to Buy, the moratorium on the sale of the asset will be extended to 12 months, giving community groups more time to raise funding to meet the agreed purchase price. Asset owners will be able to ask the local authority to check that community groups are making sufficient progress on the sale 6 months into the moratorium.

The definition of an ACV will also be expanded to help protect a wider range of assets, including those that support the economy of a community and those that were historically of importance to the community. Community groups will be able to appeal the local authority's decision on whether an asset is of community value and local authorities will be supported to deliver the powers with new guidance.

Sporting Assets of Community Value

Since the introduction of Community Right to Bid provisions in 2011, fewer than 100 of the over 6,000 sports grounds in England have gained protections under the Asset of Community Value (ACV) framework. As a result, except for the limited number of sports grounds listed as ACVs, most are immediately available to the highest bidder on the open market when they are put up for sale – making them vulnerable to redevelopment. The government knows how much communities value their local sports grounds and want to give them greater powers to take ownership of them.

The Bill will therefore introduce a new type of ACV – the Sporting Asset of Community Value (SACV) and automatically designate all eligible sports grounds as such. As with the standard ACV regime, communities will have the first right of refusal when a ground is put up for sale. SACV status will also provide enhanced protections for sports grounds. For example, unlike the standard 5-year renewal period under the ACV system, sports grounds designated as SACV will retain this status indefinitely. Other facilities – such as car parks – that the ground depends on to function effectively – will also be eligible for SACV listing, preventing the ground from being undermined by the intentional removal of its supporting assets.

2. Neighbourhood governance

The English Devolution and Community Empowerment Bill will introduce a requirement on all local authorities, in England, to establish effective neighbourhood governance.

The main goal of neighbourhood governance is to move decision-making closer to residents, so decisions are made by people who understand local needs. Additionally, developing neighbourhood-based approaches will provide opportunities to organise public services to meet local needs better.

The details of the obligations on local authorities will be set out in regulations that will be made after the Bill is in force. Before those regulations are made, government will be undertaking a review as to the best way to achieve the aims including speaking to the sector to ensure they have the opportunity to contribute and share existing good practice.

Local authorities can still set up town and parish councils, and town and parish councils which exist now can continue. Our guidance will say how neighbourhood governance structures can work well with town and parish councils. Town and parish councils are independent of local authorities. We want to make sure that all local authorities have a way of working with people in their neighbourhoods, so they are not relying on town and parish councils to do it.

3. Upwards Only Rent Reviews

Upwards Only Rent Review (UORR) clauses are common clauses in commercial leases. A commercial lease is a legal contract between a landlord and a business tenant, granting the tenant the right to use a property for commercial activities in exchange for rent. At pre-agreed points within a lease (normally every 5 years), the rent will be reviewed, and UORR clauses ensure the new rent can only increase or stay the same, even if the market has declined. UORR clauses ensure landlords are guaranteed rent will not decrease, regardless of market conditions.

UORR clauses lead to a number of market inefficiencies including higher rents during economic downturns, leading to lower profits for tenants and a risk of higher prices for consumers. Stakeholders, including small businesses and academics, report that UORR clauses are artificially inflating commercial rents and ultimately pricing out small businesses from town centres.

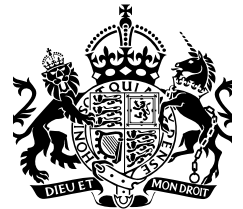
The commercial leasehold sector has historically regulated itself via industry-approved Codes of Practices where the impact of UORR clauses are explained and alternatives are encouraged. However, multiple research studies have found this self-regulation approach to commercial leasing in England and Wales is not working well.

The Bill will ban UORR clauses in new commercial leases in England and Wales. Commercial leases include sectors such as high street businesses, offices and manufacturing. Some very limited areas such as agricultural leases will be exempt. The ban will also apply to renewal leases where the tenant has security of tenure under Part II the Landlord and Tenant Act 1954. The ban aims to make commercial leasing fairer for tenants, ensure high street rents are set more efficiently, and stimulate economic growth.

Following the ban, if a UORR clause is in a new or renewal commercial lease, the requirement for rent not to decrease will be unenforceable; the new rent will be determined by whatever methodology is specified in the lease, for example in line with changes to the retail price index. The new rent may be higher, lower or the same as the previous rent.

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