

<b>Policy Name or Title</b>	<b>English Devolution and Community Empowerment Bill</b>
<b>Link (Web Address)</b>	<a href="#">English Devolution and Community Empowerment Bill - Parliamentary Bills - UK Parliament</a>
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<b>Subject/ Theme</b>	Devolution and Public Service Reform

## 1. Executive Summary

The [English Devolution and Community Empowerment Bill](#), first published on 10 July 2025, builds on the [English Devolution White Paper](#) published in December 2024. It seeks to transfer power from Westminster to local leaders, with the aim of giving them the tools to deliver growth, strengthen the foundations of local government and empower communities.

It comes as part of government's drive to create a more consistent and simpler model of devolution which can be delivered more quickly than current legislation allows.

The Bill confirms a number of key elements from the White Paper and introduces new areas of consideration for the sector. These include:

- A new statutory devolution framework
- New powers and responsibilities for strategic authorities
- Return to supplementary voting system for mayoral elections
- Legislative basis for streamlining local government reorganisation
- Local Audit Office
- Community empowerment initiatives

This briefing summarises relevant aspects of the Bill for Surrey in its current and future context. It is based on the Bill as it was introduced to Parliament, and the content is subject to change based on any amendments made to the Bill as it progresses through the legislative process. The Surrey County Council Strategy and Policy Team will monitor these amendments, and a further briefing will be produced once the Bill becomes an Act of Parliament.

Background information can be found in the [English Devolution White Paper briefing](#) which summarises the government's initial policy position.

## 2. Establishing Strategic Authorities

As set out in the English Devolution White Paper, the Bill legislates for a new category of local authority in England, known as strategic authorities (SAs) with varying responsibilities and functions based on their governance structure. These were defined in the White Paper:

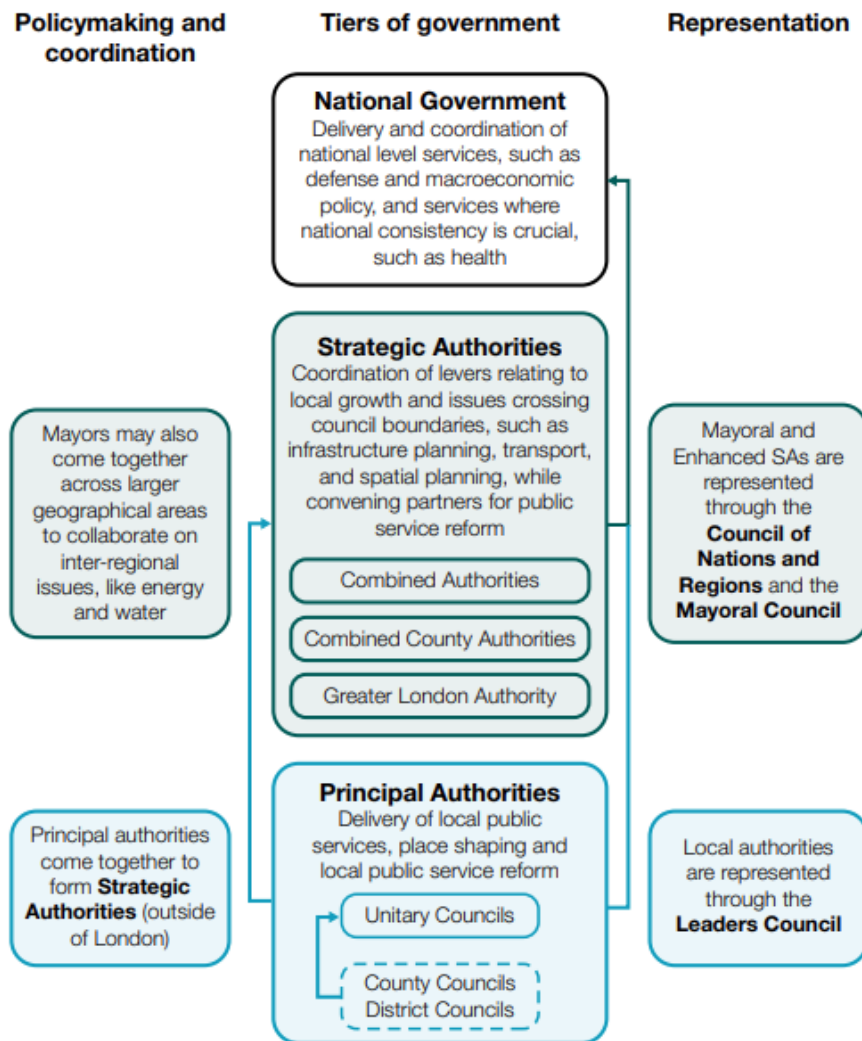
1. Foundational Strategic Authority (FSA)
2. Mayoral Strategic Authority (MSA)

### 3. Established Mayoral Strategic Authority (EMSA)

#### Streamlining Government (*Figure 2 in English Devolution White Paper*)

To aid in the reading of this briefing, the following diagram from the English Devolution White Paper depicts the new local government context with the new and existing tiers and institutions set out diagrammatically.

**Figure 2: Streamlining government**



#### Establishing a Foundational Strategic Authority

- The Bill distinguishes between two types of FSA:
  - Single FSA:** a single upper tier authority (unitary or county council) with some devolved powers that has been designated by the Secretary of State.
    - In March 2024 Surrey County Council agreed a Foundational Devolution Framework Agreement (County Deal) with the then government which will see

the transfer of functions and funding such as the Adult Skills Funding to the County Council. Although we don't believe this makes SCC an FSA, we are seeking clarity on whether the previous devolution deal has any impact on our status under the new Bill.

2. **Combined FSA:** multiple councils working collaboratively without a directly elected mayor.

- The Secretary of State has the power to designate a council as an FSA via regulations.
- The council(s) concerned must consent to the designation. No council can be designated without its explicit agreement.
- A council cannot be designated if its area is already within another strategic authority.
- Regulations are subject to affirmative resolution procedure so must be actively approved by both Houses of Parliament before it can come into effect.

### **Establishing a Mayoral Strategic Authority**

- Under the Bill, the term MSA includes existing mayoral combined authorities (CAs), mayoral combined county authorities (CCAs), and the Greater London Authority (GLA).
  - For existing CAs, CCAs and the GLA where they already have powers and functions as part of their establishing order, and where those powers/functions are changed or updated in the Bill, the changes will automatically take effect once the Bill becomes law.
  - New powers that were not previously included in the establishing orders will not apply automatically and must be conferred by secondary legislation.
- An MSA must be made up of two or more upper tier authorities. As a single FSA consists of only one upper-tier authority, it cannot form an MSA unless it joins with other upper-tier councils.
- The Bill will streamline the process for establishing and expanding MSAs. There will be two routes for local authorities to follow:

#### **1. Locally led proposal (section 109A):**

- Driven by upper-tier local authorities, which come to a local agreement between the anticipated constituent councils regarding the geographic area the proposal will cover and constituent members of the authority.
- Before submitting a proposal, the authorities must carry out a public consultation across the proposed area.

#### **2. Secretary of State directed proposal (section 109B):**

- This approach is initiated when local authorities have either failed to act, cannot reach consensus, or have submitted a proposal that does not meet the statutory test.
- In these cases, the Secretary of State may direct a group of upper-tier areas to prepare and submit a proposal on a geography chosen by central government.

### **Establishing an Established Mayoral Strategic Authority**

- The Bill legislates to provide the Secretary of State with the power to designate an MSA as an EMSA. They must first receive a written proposal from an MSA before making a decision.
- If the MSA meets the eligibility criteria (page 2 of English Devolution White Paper briefing linked in the executive summary), the Secretary of State then decides if to grant the designation and they must lay establishing regulations before parliament.

- Once an area has been granted EMSA status, it cannot be revoked through secondary legislation.
- The mayor of an EMSA may submit proposals to the Secretary of State requesting further powers that would help them deliver against their areas of competence.
  - The Secretary of State must respond to any proposal within six months.
  - Requests can cover changes to the law as well as changes to funding.
  - The Secretary of State will set out a formal request process which mayors must follow when making a request.

### 3. Governing a Strategic Authority

#### Mayoral Elections

- Under the Elections Act 2022, mayoral elections were held using a First Past the Post voting system.
- The Bill sets out that mayoral elections will now move to a **supplementary vote system**.
  - Under this system, voters indicate their first and second preference for a candidate.
  - If a candidate receives more than 50 percent of first preference votes they are elected.
  - If no candidate receives over 50 percent, all but the two candidates with the most 'first preference' votes are eliminated, and second-choice votes for those two are added to decide who has the majority total votes.
- A person is disqualified from holding the office of mayor if they are a Member of Parliament or a Member of a constituent council.
  - This means an individual must resign from their current office before taking up the role of mayor.

#### Executive

- Each constituent council must appoint at least one of its members to serve as a voting member of the SA.
- The mayor also sits as a voting member of the SA.
- The mayor may appoint a deputy mayor from among the voting members of the SA.
  - The Deputy Mayor can be appointed from the constituent Council Leaders. For example, the Leader of Gateshead Council currently serves as Deputy Mayor of the North-East Combined Authority.
- In areas where Police and Crime Commissioner (PCC) functions are transferred to sit with an MSA, the Bill sets out that a mayor must appoint a deputy mayor for policing and crime who will be responsible for exercising these functions.
  - In the instance where an SA covers two or more PCC areas, a deputy must be appointed to oversee each area.
  - Note, the Deputy Mayor for Policing and Crime is a distinct role from the general deputy mayor. The Deputy Mayor for Policing and Crime functions may be appointed from outside the SA voting members, in line with criteria set out in the Bill.
- The Secretary of State has the power to make legislation allowing SAs to pay allowances to members who have special responsibilities.
- The Executive is broadly responsible for making decisions on SA functions. However, some functions are defined as 'mayoral functions' and may only be exercisable by the mayor such as governance of the fire authority and establishing Mayoral Development Corporations.

## Decision Making Process

- Decision making of an MSA or an EMSA is to be made by a simple majority of the voting members present during a meeting of the authority. The majority must include the mayor, or deputy mayor acting in their place.
- Prior to the mayor being elected, a decision is made by a simple majority of the voting members of the authority. Each member has one vote.
- In the event of a tie, for general decisions no one may have a casting vote.
  - However, for decisions around local transport planning, community infrastructure levy and spatial development strategies, the mayor has an additional casting vote.
- Decisions and proceedings made during meetings remain valid at the time they are made, even if there are vacancies or errors in the appointment of members.

## Commissioners

- The mayor may appoint “commissioners” to act as policy leads for areas within the devolution framework. They may also be appointed to assist the mayor in the exercise of any of the mayor’s or the SA’s general responsibilities. This system is currently used in London, and the Bill proposes to extend this power to all MSAs.
- These commissioners would not be SA members, but independent appointees made by and accountable to the mayor.
  - Anyone who is disqualified from holding the office of mayor e.g. constituent councillors may not be appointed as commissioners.
  - Areas such as the GLA have appointed experts from business, charities, and think tanks to lead on relevant portfolio areas.
- Commissioners are not intended to replace the role of members as portfolio holders, but rather to supplement them as an additional resource to help deliver key priorities where members do not have the capacity to do so.

## 4. Strategic Authority Finance

Critics of the White Paper and the Bill have reflected that there is a lack of fiscal devolution, with the financial powers of mayors confined to precepting, levies and devolved funding pots.

### Mayoral Precept

- Under previous legislation, a mayoral precept could only be raised to fund mayoral functions.
- As set out in the English Devolution White Paper, a new clause was introduced enabling the mayoral precept to be used as a source of revenue which can be spent across all MSA functions.
- This precept can only be levied in areas with an elected mayor, meaning that FSA areas are not eligible.

### Borrowing and Levies

- A new subsection introduces a requirement for authorities to obtain consent from the Secretary of State before they exercise the power to borrow for the first time, unless borrowing for purposes relevant to their transport, fire, and policing functions.
- The devolution framework sets out the MSA’s ability to raise funds through a Transport Levy and a Community Infrastructure Levy. These are expanded on in Section 5 of this briefing.

## 5. Statutory Devolution Framework

The Bill puts into legislation some of the powers and functions set out in the Devolution Framework first published in the English Devolution White Paper.

### Mayoral Powers of Competence

- **General Power of Competence:**
  - SAs will now get the general power of competence which allows for an authority to do anything that an individual can do (subject to legislative limitations) under the Localism Act 2011.
- **Power to convene and collaborate:**
  - The mayor of an SA will also have the power to convene local partners and to make a formal request to collaborate with the mayor of a neighbouring area on a joint outcome.

### Miscellaneous Local Authority Functions

- SAs will now have the following functions conferred, held concurrently with constituent councils:
  - **Section 113:** Share staff between authorities
  - **Section 142:** Provide public information about services
  - **Section 222:** Take legal action to protect community interests
  - **Section 88 (1985 Act):** Conduct and share research

### Transport and Local Infrastructure

- **Local Transport Authority:**
  - SAs are the sole Local Transport Authority for their area with the relevant powers and duties including over local transport planning, securing public passenger transport services, bus partnerships, bus franchising, and concessionary travel. Highways authority and traffic authority functions remain with the relevant constituent councils.
- **Local Transport Plans:**
  - Constituent councils have a duty to implement the SA's local transport plan when carrying out their transport functions.
- **Key Route Network:**
  - Mayors of an SA are required to prepare proposed designation of Key Route Network and publish and maintain a record of the network. Mayors can direct constituent highway authorities in the use of their highway, traffic, street and permit authority powers on key route network roads.
- **Transport Levy:**
  - The Bill will legislate for all SAs to have the power to charge a transport levy by default. When charging a transport levy, the authority can only levy sufficient funding to pay for costs in exercising transport functions, except those transport functions only exercisable by the mayor and where relevant transport costs are not otherwise met (such as through a precept).
- **Civil Enforcement Powers:**
  - SAs will also be able to take on civil enforcement powers and can have the ability to enter into agreements with strategic highways companies subject to constituent highway authority consent.
- **Micromobility:**

- SAs will be the licensing authorities for micromobility vehicles for use on public road or place.
- **No Rail Devolution:**
  - The functions and responsibilities around rail included in the White Paper have not been included in the Bill indicating that further rail responsibilities will not be devolved to mayors.

## Skills and Employment

- A number of duties that currently sit solely with the Secretary of State will now be exercisable by SAs. These include:
  - Duty to secure appropriate facilities for 19+ education and adult skills
  - Duty to ensure eligible individuals do not pay for specific qualifications
  - Duty to encourage participation by 19+ residents in education or training
  - Powers to fund others to fulfil these duties
  - Powers to carry out means testing for this funding.
- Powers relating to apprenticeships and people subject to adult detention are not devolved.

## Housing and Strategic Planning

- SA's will have the duty to produce a Spatial Development Strategy and the function will be exercised by the Mayor on behalf of the SA. Approval for strategy requires majority voting by the Mayor and constituent authorities.
- The following powers are devolved to the Mayors of SAs:
  - The function to **determine planning applications** of potential strategic importance.
  - The power to make **mayoral development orders** that grant planning permission.
  - Ability to act as the charging authority for the **Community Infrastructure Levy** to fund infrastructure to support development.
  - Ability to establish **Mayoral Development Corporations** and expand remit to include new settlements.
- The remaining powers are devolved to the SA as a whole:
  - Ability to exercise the **housing and land powers of Homes England** and Local Authorities.
  - Ability to exercise **housing provision and land acquisition** powers under Housing Act 1985.

## Economic Development and Regeneration

- **Economic Assessment:**
  - SAs, alongside constituent councils in the area, will have to prepare assessments of the economic conditions in their area.
- **Local Growth Plans:**
  - MSAs will have the duty to produce and publish Local Growth Plans.
- **Grants to Constituent Councils:**
  - Mayors of SAs will be able to pay grants to constituent councils (e.g. for transport or highways delivery) without HM Treasury consent. Mayors can attach conditions to the grants.
- **Promote Tourism and Culture:**
  - SAs, alongside constituent councils, will be able to promote tourism and entertainment, and provide or improve related facilities.

- **Investment of Local Government Pension Scheme (LGPS):**
  - SAs will be able to collaborate with LGPS administering authorities to identify and develop appropriate investment opportunities.

### Health Improvement and Health Inequalities Duty

- **Health Improvement Duty:**
  - All SAs and Mayors will now have a duty to have regard for improving the health of the people in their area and reducing health inequalities, when deciding whether or how to exercise their functions.
- **Legal Limitations:**
  - The Bill maintains the existing legal limitations on devolving core health service functions – this prevents transfer of specified core duties and regulatory functions from national health bodies.

### Environment and Net Zero

- The Bill sets out that one of the areas of competence for the Strategic Authority is 'Environment and Climate Change' however the first draft of the Bill does not contain any devolved functions relating to environment or net zero within the framework, despite a handful of roles for the MSA initially included in the White Paper.

### Public Safety

- **Police and Crime Commissioner Functions:**
  - Mayors of SAs will exercise the PCC functions in their area including:
    - Setting the police precept
    - Issuing the police and crime plan
    - Appointing and dismissing the Chief Constable
  - The Bill clarified that a police area does not need a separate PCC if a mayor is exercising the function. The Secretary of State is able to alter police area boundaries to enable a mayor to take on the PCC functions.
- **Data Sharing:**
  - SAs and other authorities must share relevant information and data with each other that supports the reduction of crime and disorder.
- **Fire and Rescue Authority Functions:**
  - Mayors of SAs to act as Fire and Rescue Authority for one or more fire and rescue areas. The area must be coterminous with one or more existing Fire Services and the functions are exercised solely by the mayor. The Bill allows for shadow arrangements and transitional provision before full transfer.

## 6. Local Government Reorganisation

- The Bill restores the Secretary of State's power to **direct reorganisation proposals**.
- It allows orders to **transfer functions from predecessor councils to shadow authorities**, enables shadow authorities to consent to the **creation of a new strategic authority** and removes the need for consent of predecessor councils once the shadow authorities are in place.
  - SCC was selected to join the fast track for LGR in order to unlock further devolution. As such we anticipate that a Strategic Authority will be established across the area of

Surrey but at present we have not had clarity on expected timelines and decision-making from government.

- SCC is seeking clarity on what, if any, role the 'predecessor councils' will play in the work to establish a Strategic Authority before the shadow authorities come into power.
- The Bill will change the available governance arrangements for councils in England, requiring those currently operating the committee system to move to the **leader and cabinet model**.

## 7. Reform to Local Audit

### Local Audit Office (LAO)

- The Bill proposes the establishment of a LAO – a new public body that will oversee and secure the effective operation of the local audit system. This responds to recent concerns by organisations such as CIPFA about audit delays and quality issues, which have affected public confidence in local government finances and the timely publication of accounts.

### LAO functions:

- Proposed functions/powers of the LAO include:
  - Setting fees
  - Appointing auditors to eligible bodies
  - Setting the code of audit practice and overseeing a regulatory framework
  - Keeping a register of audit providers who are eligible to carry out audits, or designating an external registration body to do so
  - Establishing or supporting a firm which could act as a public provider of audit
- If the LAO itself decides to carry out audits, its audit practice is also independently monitored, inspected and reported on. The LAO must appoint auditors for non-NHS audits that are a registered local audit provider or the LAO itself. This should happen as soon as practically possible.
- The responsibility for codes of audit practice will pass from the Comptroller and Auditor General to the Local Audit Office (LAO). The codes of audit practice and statutory guidance already in place will continue to have effect until the LAO decides they should be replaced or revoked.

### Audit Committees:

- All relevant authorities must have an audit committee and arrange for the committee to:
  - exercise specific functions to examine the authority's financial matters,
  - look at how it manages risks and ensures good governance,
  - check how efficiently and effectively it uses its resources,
  - make reports and recommendations to the authority based on those reviews.
- Those authorities that have the power to do so can choose one of their existing committees to act as their audit committee. If the body does not have that legal power, it can exercise its responsibilities by appointing a group of individuals to serve as its audit committee instead.

## 8. Community Empowerment

### Neighbourhood Governance

- The Bill will require all local authorities to have ‘appropriate arrangements’ for effective neighbourhood governance structures in place.
- These aim to empower ward councillors to take a greater leadership role in driving forward the priorities of their communities. This intends to move decision-making closer to residents.
- ‘Appropriate arrangements’ are specified in regulations made by the Secretary of State and may include provision:
  - requiring local authorities to establish and maintain specified organisational structures for the governance of neighbourhood areas (or for the use of specified existing organisational structures for that purpose).
  - about the number, membership, funding and review of such structures.
  - about the functions that may or must be carried out by such structures for the purpose of ensuring the effective governance of neighbourhood areas (including for the structures to carry out functions on behalf of the local authority).
  - requiring the carrying out of such activities for the purpose of ensuring local engagement with the neighbourhood area as may be specified.
- The Bill does not currently provide clarity on what neighbourhood governance will look like but does give the Secretary of State the ability to direct areas on what it should be.
- The Ministry for Housing, Communities and Local Government (MHCLG) is still reviewing its guidance around neighbourhood governance. There is an opportunity for SCC to share learning from the implementation of three Neighbourhood Area Committee (NAC) pilots in Surrey to inform the government’s future policy thinking on neighbourhood governance.

### **Community Right to Buy**

- The Bill includes a new remit for Community Right to Buy, replacing the current policy introduced back in 2011 (under the Localism Act).
- This change is part of the government’s intention to bring more assets back into community ownership.
- Provisions in the Bill introduce a right of first refusal, granting community groups greater powers to purchase assets of community value at a negotiated or market value price within a 12-month moratorium period from the point of listing for sale. Asset owners can request a review and termination of the Right To Buy at the six month point.

### **Sporting Asset of Community Value**

- In addition to the Community Right To Buy, the Bill introduces ‘the sporting asset of community value’.
- This aims to increase the number of sporting assets under community ownership, thereby protecting them against redevelopment. Current rates of community ownership of sports grounds are extremely low with less than 100 out of 6,000 sports grounds in England owned by communities.
- To achieve this, the Bill aims to:
  - Facilitate the automatic registration of all sports grounds in England into the sporting asset of community value category
  - Indefinitely ascribe sporting asset of community value status to listed assets so long as certain conditions are met.
  - Expand the eligible footprint so ancillary facilities important to the proper functioning of a sports ground are also protected within a sporting asset of community value listing e.g. car parks, training facilities.

### **Upward Only Rent Review (UORR) removal**

- The Bill proposes the removal of upward only rent review (UORR), commonly used in commercial leases.
- Currently, rents can only be increased or stay the same, even if market prices have declined leading to higher rents during economic downturns, which forces small businesses out.
- The Bill aims to create fairer leases for tenants, improve market efficiency and aid in the regeneration of town centres and high streets.

## **9. Indicative Next Steps for the Bill**

The Bill is expected to progress quickly, with intelligence suggesting it will receive Royal Assent by Spring 2026. The Corporate Strategy and Policy team will continue to monitor the progression of the Bill as well as any amendments made.

Following Royal Assent, an initial commencement order is issued, and some provisions of the Bill may come into force immediately. This is followed by secondary legislation and guidance to support implementation. This will lead to an eventual full roll out of the powers.