



# Ministry of Housing, Communities & Local Government

**Jim McMahon OBE MP**

*Minister of State for Local Government and  
English Devolution*

2 Marsham Street

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Your reference:

Our reference:

To: Council Leaders in England

Cc: Council Chief Executives in England

10 July 2025

Dear Leader,

## **INTRODUCTION OF THE ENGLISH DEVOLUTION AND COMMUNITY EMPOWERMENT BILL**

I am delighted to inform you that today the Government is introducing into Parliament the landmark English Devolution and Community Empowerment Bill.

We are a Government that believes that devolution across England is fundamental to achieving the change the public expect and deserve: growth, more joined-up delivery of public services, and politics being done with communities, not to them.

Since July 2024, we have established new routes to partnership working between the Government and our regional Mayors who now take their seat at the Council of Nations and Regions, and the Mayoral Council, supported by a Leaders Council of the most senior local government leaders, building together an unrivalled opportunity to work in partnership with the Government to deliver its missions and ensure it is felt in every community. We have also taken further steps with inaugural mayoral elections in Hull & East Yorkshire, and Greater Lincolnshire, and foundation Combined County Authorities in Devon & Torbay, and Lancashire, giving these areas their first step on their devolution journeys. And we have launched the Devolution Priority Programme, which is due to extend the reach of devolution in England to 77% of England's population, equating to just over 44 million people.

The English Devolution White Paper, published 16 December 2024, set out the urgent need for change and a completely new way of governing – a generational project to shift power and resources to our great regions and the communities they serve.

As our regions benefit from devolution, so does the nation. Mayors across England have acted to take back control of their buses in Liverpool City Region, delivered investment in higher education in Cambridgeshire and Peterborough, integrated health and work services in Greater Manchester and driven forward action on child poverty in the North East. Only by building an economy that works for everyone will we ignite growth in every region, fix the foundations of the economy and continue the decade of national renewal we started with the Plan for Change.

The English Devolution and Community Empowerment Bill will deliver further on our commitment to deepen and widen devolution across England. The Bill will end the patchwork approach to devolution by standardising and strengthening Mayors' powers to speed up housebuilding and infrastructure.

The Bill will bring a radical reset to local government as the foundation for devolution, and empower communities to save and take charge of beloved local pubs, high street shops and community facilities, helping local leaders deliver a decade of national renewal built from communities upwards, as promised in the Plan for Change.

### **Deepening the powers of local leaders**

Our ambition is for all regions to take the reins in driving growth. The Bill will enable local people to take back control of their regions, from bolstered rights to save cherished community assets, to a bigger voice in neighbourhood governance. It will also increase powers to their directly elected leaders and Mayors so they can unlock housing, transport and jobs in their regions.

The Bill will establish a new form of government in England, the "Strategic Authority" (which includes Combined Authorities and Combined County Authorities, alongside the Greater London Authority) to lead in our regions. Strategic Authorities will be responsible for unlocking investment, infrastructure and economic growth across larger geographies, while local authorities will continue to be responsible for the critical daily services residents rely on, leading the reform of local public services, and improving local neighbourhoods.

Strategic Authorities will be empowered to operate across seven key areas: transport and local infrastructure, skills and employment support, housing and strategic planning, economic development and regeneration, environment, health, wellbeing and public service reform, and public safety – collectively defined as their "areas of competence".

The Bill will establish a devolution framework in statute – consistent powers, functions and duties which will apply to future Strategic Authorities automatically – and provide a clear route to taking on greater responsibilities over time. Strategic Authorities with Mayors elected by their communities will be entitled to deeper powers because they provide the most visible and accountable form of local leadership. The Bill will also set out the related voting and governance arrangements for functions within the devolution framework.

Mayors will be able to take back control of delivering for their voters with widespread new powers over planning – including a power to raise a Mayoral Community Infrastructure Levy; and transport – including a duty to designate Key Route Networks, and licensing powers over on-street micromobility schemes such as bike and e-bike hire services.

Mayors will have a duty to develop tailor made Local Growth Plans to boost economic growth, kickstart their local economy and ultimately get more money in people's pockets, unlock housebuilding and infrastructure, focus investment and drive growth. Mayors will also be expected to cooperate with the Local Government Pension Scheme on investment opportunities, with a reciprocal duty in the Pension Schemes Bill.

To speed up the development of new homes and infrastructure in their areas, the Bill will empower Mayors to institute Mayoral Development Orders. It will also streamline the process

of establishing Mayoral Development Corporations, so that we can replicate the success of projects such as the Olympic Park legacy and attract inward investment right across the country.

The Bill is the floor, not the ceiling for our ambition. To that end, the Bill will put in place an assumption of devolution by default which allows Strategic Authorities to pilot and request new functions, and place a duty on the Government to respond.

### **Strengthen communities' voices in local decision-making**

The Bill will modernise how local decisions are made, prioritising people and partnership over paperwork and politics.

The Bill will make local ownership of pubs, shops and social hubs easier through a new extended Community Right to Buy, meaning communities will have the first opportunity to purchase local assets when they are put up for sale, including through community co-operatives, and be given an extended 12-month period to raise funding. And more local sports grounds will be saved by introducing a new 'Sporting' category protection of local assets preserving local character, boosting tourism and keeping community spirit alive.

It will also end the unfair practice of Upwards Only Rent Review clauses in commercial leases, which pit landlords against businesses and can make rents unaffordable and cause shops to shut. This will help keep small businesses running, boost local economies and job opportunities and help end the blight of vacant high streets and the unacceptable anti-social behaviour that comes with them. This goes hand in hand with other measures to support the high street, such as a new permanent lower business rate multiplier for retail, hospitality and leisure businesses already passed in law.

The introduction of a new requirement for all local authorities to have effective neighbourhood governance will also move decision-making closer to residents, so decisions are made by people who understand local needs, and provide opportunities to organise public services to meet local needs better, and deliver on our commitment to respect and recognise the role of frontline councillors as the convenors of the community they serve. We are committed to co-producing our approach to neighbourhood governance and will develop this further over the coming months ensuring you have the opportunity to contribute and share best practice.

### **Ensuring that local and regional government is fit, legal and decent**

Local authorities are the foundation of devolution, which is why this Bill will also deliver on our commitment to a new settlement for local government, which prioritises putting local government on the road to recovery.

Our goal is to fix the foundations of local government so that the sector is more resilient, leading the shift from crisis management to early intervention and prevention to deliver better outcomes for local people, and allow vital investment to be seen in better frontline neighbourhood services.

We have started the work of fixing the financial foundations and are currently consulting on a new fair funding approach, finally providing councils with a fair allocation of funding based on local needs and available resources. We have gone further in getting the financial house in order by dealing with the unacceptable backlog in local audit.

But we must also simplify local governance too. The Bill will introduce new measures to improve local government structures and accountability. It will streamline local authority governance arrangements by abolishing the “committee system” still used by a small number of councils, and preventing the creation of any new local authority Mayors, instead standardising to the leader and cabinet model of executive governance. This will provide clear accountability and remove duplication, delivering more efficient decision making and effective delivery for places.

This Bill will support our ambition to ensure that every council is fit, legal and decent by fixing the local audit system. It will establish a new body to oversee local audit, which will increase transparency, and simplify and streamline the currently fragmented system. To address the pressing challenges, it will also support and enable wider measures, such as the introduction of public provision of audit to support the private market.

It will also streamline processes for future local government reorganisation.

The Bill will include provisions to alter fire and policing boundaries to deliver boundary alignment and support much needed public service reform. It will also improve accountability by reverting all mayoral and Police and Crime Commissioner elections back from First Past the Post to the Supplementary Vote System.

Our devolution goal remains to extend coverage of Strategic Authorities in England, ensuring that more people benefit from empowered local leaders. The creation of (non-Mayoral) Foundation Strategic Authorities as a first step on the devolution journey allows for areas to realise the benefits of joint working by receiving enhanced powers and responsibilities.

While it is expected that the number of devolution agreements will evolve and be driven by local leaders, the Bill will enable ministers to establish Strategic Authorities if, after time, local leaders are not able to agree how to unlock the benefits of devolution in otherwise well-developed regions.

Taken as a package these measures see a top to bottom redistribution of power to our regions, local authorities, and the communities they serve. It creates consistent, accountable and efficient governance across England, and finally gives every part of the country the opportunity to realise its full potential with a government working as partners in power to deliver our Plan for Change.

I am very grateful for your engagement on the English Devolution and Community Empowerment Bill to date, and I know we will keep working closely as we go forward.

Yours ever,



**JIM MCMAHON OBE MP**

Minister of State for Local Government and English Devolution