

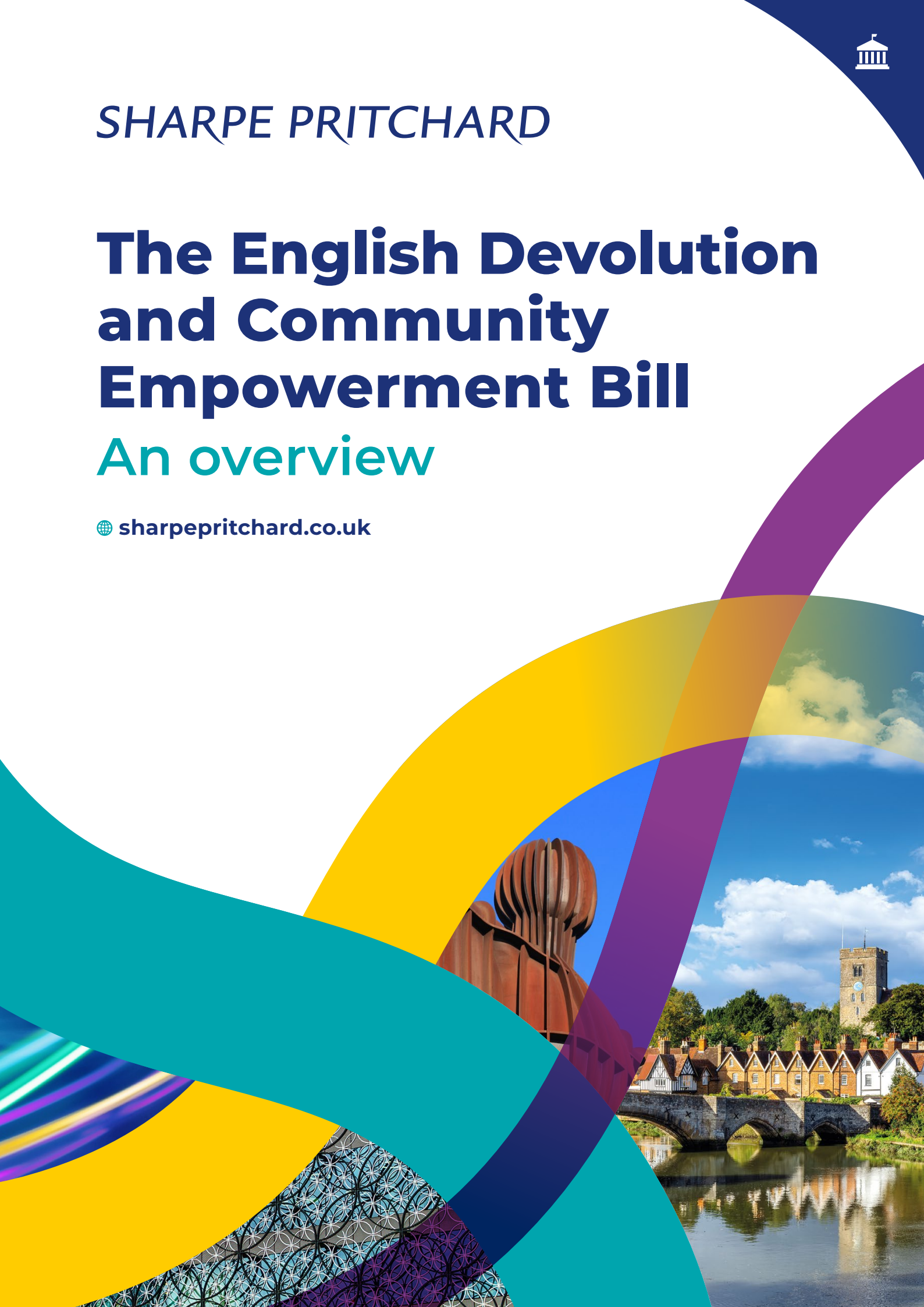


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The English Devolution and Community Empowerment Bill

An overview

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Introduction

On 10 July, the much-anticipated English Devolution and Community Empowerment Bill (“the Bill”) had its first reading in the House of Commons. The Bill builds on the Government’s commitment to widen and deepen devolution across England which was outlined in December 2024’s English Devolution White Paper.

The Bill aims to address the over-centralisation of power in England by establishing a new model of devolution which, the Government considers, will “give local leaders the tools to deliver growth, fixing the foundations of local government, and empowering communities”.

The Bill had its second reading on 2nd September. Following this and through the Autumn we will be considering the Bill, and commenting on its passage through Parliament, in a series of articles and webinars. **To register and receive information on our webinar series please contact Ben Robertson.**

We will also be looking at key practical aspects of Local Government Review at our Friday Morning Coffee Club for Local Authorities on 19th and 26th September.

If you have any queries in relation to the Bill, please do contact our local government leads, who are listed at the end of this document.

The Bill is organised into six parts and we consider each in turn.





Part 1 – Strategic Authorities

Part 1 introduces a new category of authority in England, the “strategic authority (“**SA**”), which will be responsible for strategy development and programme delivery over certain economic areas. There will be three levels of SA, namely –

- Foundation strategic authorities (which includes combined authorities (“**CA**”) and combined county authorities (“**CCA**”)),
- Mayoral strategic authorities (which includes mayoral CAs and mayoral CCAs), and
- Established mayoral strategic authorities.

SAs will have “areas of competence” which will provide the thematic areas under which their functions will be categorised. There will be seven of these, namely: (i) transport and local infrastructure, (ii) skills and employment support, (iii) housing and strategic planning, (iv) economic development and regeneration,

(v) the environment and climate change, (vi) health, well-being and public service reform, and (vii) public safety. The Government will be able to add to these in the future.

Part 1 establishes a standardised devolution framework setting out the default position for devolved bodies at each level to ensure consistency and to streamline powers and available funding. It simplifies how CAs and CCAs are established and expanded, how their powers are conferred, and introduces simple majority voting methods for most decisions within an SA’s functions. Ministers will have the power to establish or expand SAs in certain areas and may also direct SAs to have a mayor.





Part 2 – Functions of Strategic Authorities and Mayors

Part 2 sets out the duties and powers which SA will have, and the process by which the Government can, in future, confer new ones on them. For example, the Bill amends the Localism Act 2011 to apply the general power of competence – which allows an authority to do anything that an individual can do – to mayoral CAs and mayoral CCAs and their mayors. The general power also applies to non-mayoral CAs and non-mayoral CCAs for the purposes of economic development and regeneration.

The duties and powers conferred on SAs span a wide range of local authority functions, such as education, planning and public health and are summarised below in the context of each SA level.

Foundation Strategic Authorities (FSAs)

All SAs will be conferred with certain of Homes England's powers and functions, including the power to (i) acquire land by agreement and compulsorily (ii) provide and facilitate provision of housing and (iii) regenerate, develop or bring about more effective use of land or to facilitate that. They will also have a duty to produce a spatial development strategy in the way in which the Mayor of London must prepare the London Plan.

Part 2 also makes provision for SAs – save for single local authority FSAs – to be the local transport authority for their area. This role will include preparing and publishing local transport plans and preparing and implementing bus strategies. To address the issue of funding, the Bill introduces powers to levy constituent authorities to meet the costs of the new functions. Local transport authorities will be able to set up key route networks, enforce road traffic contraventions through penalty charge notices, and enter into agreements with highway authorities for the maintenance and improvement of roads.

Mayoral Strategic Authorities (MSAs)

MSAs will be empowered to convene a meeting of “local partners” to consider “relevant local matters” (terms which are to be defined in regulations). The local partner, once notified of the intention to convene such a meeting, will be obliged to respond.

Part 2 provides a process by which the mayors of neighbouring SAs can make and respond to requests for collaboration. For example, a request must relate to one or more of the areas of competence, and the request must be in writing and published.

Part 2 also enables mayors of MSAs to establish mayoral development corporations to act as the planning authority for designated areas, a concept which has been used elsewhere; for example, by the Mayor of London in Stratford following the 2012 Olympics. Part 2 extends the Mayor of London's power regarding mayoral development orders to mayors of CAs and CCAs. They will also become community infrastructure levy “charging authorities” in addition to local planning authorities. As is currently the case in London, MSA mayors will be granted powers to intervene in planning applications of potential strategic importance and to “call-in” the decision on whether to grant permission.

MSAs will also be granted powers in relation to economic development and will owe a duty to prepare a “local growth plan” in addition to an assessment of economic conditions. MSAs will be empowered to incur expenditure for tourism related activities and they will be entitled to borrow money up to an agreed cap.

Established Mayoral Strategic Authorities (EMSA)

EMSA would exercise all the functions outlined above in relation to MSAs and would also have a right to request that further powers – which could be piloted in the first instance – are provided to them.



Part 3 – Other measures about local government and PPCs

Where there is a single tier of local government, Part 3 empowers the Secretary of State to invite or direct principal authorities to merge. If invited, the authority may be able to choose which eligible areas should form the proposed area for the new single tier of local government. If directed, the Secretary of State may do so.

Part 3 also introduces the requirement for local authorities in England to have a leader and cabinet model. Any English authority that currently operates under a committee system will have to stop operating that system and start to operate a leader and cabinet executive within one year of the Bill coming into force.

Moreover, Part 3 provides for the replacement of the first past the post voting system with the supplementary vote system for the electing the following public officials: police and crime commissioners in England and Wales, the Mayor of London, CA mayors, CCA mayors and local authority mayors in England.

Part 4 – Local audit

Part 4 of the Bill proposes the reform of the local audit framework in England through the creation of the Local Audit Office (“**LAO**”), a statutory body responsible for overseeing audit quality, appointing auditors, and maintaining a register of eligible audit providers. It would operate under statutory objectives and be subject to oversight by the Secretary of State.

Part 5 – business tenancies: prohibited terms relating to rent

Part 5 of the Bill introduces new restrictions on rent-related clauses in commercial leases in England and Wales, aiming to promote fairer and more flexible leasing arrangements, particularly for high street tenants. The Bill will prohibit certain upward-only rent review terms and control clauses under which landlords can require tenants to take a new lease (for example, by requiring the starting rent to match the rent under the previous lease).

Part 6 – Final provisions

Part 6 includes the usual “tidying up” provisions regarding interpretation, making regulations under the Bill, and commencement.





Local government partner leads

If you have any queries in relation to the Bill itself or the implementation of its requirements in your local authority area please do contact our local government team partner leads:

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