

A group of people, including a man and a woman in the foreground, are smiling and looking towards the right. They are in a formal setting with gold chandeliers in the background.

CAVENDISH

# A new dawn of regional power.

Analysing the English Devolution and  
Community Empowerment Bill.

# Here's what you need to know.

## Background

Today (10<sup>th</sup> July 2025), the Ministry of Housing, Communities and Local Government (MHCLG) published the Government's flagship **English Devolution and Community Empowerment Bill** – legislation designed to reshape and rationalise how England is governed.

To read the Bill in full, click [here](#).

To read the announcement from MHCLG, click [here](#)

The Government is profoundly committed to widening and deepening devolution in England, viewing this as an integral part of their missions to deliver economic growth, improve public services, raise living standards, and breakdown barriers to opportunity. For Angela Rayner, this is a number one priority.

In the [English Devolution White Paper](#), published in December 2024, she argued that the over-centralisation of power and decision-making in England is a barrier to economic growth and better public services. As Deputy Prime Minister, she has been the driving force for a “devolution revolution” in England that provides more power, funding, and responsibility to accountable regional leaders.

**“It's about raising living standards, improving public services and building the homes we so desperately need. We have an economy that hoards potential and a politics that hoards power. So our devolution revolution will deliver the greatest transfer of power from Whitehall to our communities in a generation.”**

**“We're ushering in a **new dawn of regional power** and bringing decision making to a local level so that no single street or household is left behind.”**

- Deputy Prime Minister and Housing Secretary, Angela Rayner MP

Since entering Government, she has launched a programme to push England's regions into new Combined Authorities, but the English Devolution and Community Empowerment Bill is the transformative step to advance her agenda. Click here to [find out this differs to the separate, ongoing programme of Local Government Reorganisation](#) in England.

The Bill will not only ensure the delivery of Strategic Authorities with directly-elected Mayors in every English region, but also devolve unprecedented powers to each regional Mayor over the economy, growth, housing, planning, transport, energy and the environment, skills and employment, and health.

- Click here to find out [how the legislation will create Strategic Authorities](#) and how it will [strengthen the Greater London Authority](#) in particular.
- Click the links below for our analysis of new powers for Strategic Authorities:
  - [Growth and the economy](#)
  - [Housing and strategic planning](#)
  - [Transport and local infrastructure](#)
  - [Energy and climate change](#)
  - [Health and wellbeing](#)
  - [Skills and employment support](#)

# Creating new Strategic Authorities

English devolution emerged incrementally through legislation and bespoke deals with specific regions, rather than as a result of systematic planning. As a result, the devolved framework in England is patchy, with some authorities in cities enjoying more power and responsibility than authorities in counties, while other parts of England, mostly in the South, lack any form of regional structure at all.

Since coming into power, the Government has been determined to change that. Initially, government has been pushing regions without devolution to accept a Combined Authority under existing laws. As a result, in February 2025, the Government announced that six new regions of England will become Combined Authorities in May 2026, following elections for new Mayors.

The Government has also put much greater political emphasis on the role of English devolved authorities than its Conservative predecessor, with Rayner setting up a Council of Nations and Regions and the Mayoral Council to bring England's Mayors into partnership with Government. Rayner and Starmer believe passionately that creating and empowering strong regional Mayors is central to achieving their missions for growth, public services, and opportunities.

**The landmark change in the Bill is the move to a consistent and coherent framework for devolution in England. For Rayner, the “devolution revolution” means a move to ‘devolution by default’, where every region in England benefits from a Strategic Authority significant devolved powers and responsibilities and the leadership of a directly-elected Mayor.**

The Bill:

- **Sets out the roadmap to achieve Strategic Authorities**
  - Creates a new category of “Strategic Authority”, which Combined Authorities will become to assume the additional powers of devolution and enables MHCLG to designate devolved institutions as Foundation, Mayoral, or Established Mayoral Strategic Authorities – to receive increasing powers and responsibilities.
  - Empowers Ministers with the ability to issue a “Ministerial Directive” forcing regions into devolution if, after due time, local authorities cannot agree amongst themselves
  - The Bill enables Mayors to take on the powers of Police, Fire, and Crime Commissioners.
- **Standardises and simplifies the governance framework for devolution**
  - The Bill sets out in legislation a new governance framework for all Strategic Authorities.
  - Mayors and councils will be obliged to work in partnership, with decisions made by simple majority, so no single council can veto a decision or policy
  - The Bill enables Mayors to appoint Commissioners to deliver against one or more of their specific areas of competence, such as a Commissioner for Transport.
- **Changes the voting system for English Mayors**
  - In a surprise move, the Supplementary Vote system will be introduced to elect Mayors from 2027, replacing the First-Past-the-Post model. This will enable voters to indicate their First Preference and their Second Preference.
- **Outlines the additional powers and responsibilities of Strategic Authorities**
  - The Bill enables the devolution of key powers and responsibilities to Strategic Authorities (see [New Powers for Strategic Authorities](#))
  - The legislation creates a framework so that Ministers can add new powers and responsibilities to Strategic Authorities over time.
  - The legislation also strengthens the Greater London Authority, as a unique devolved institution for the capital (see [Strengthening the Greater London Authority](#)).

# New powers for Strategic Authorities

As a result of this 300-page Bill, significant new powers and responsibilities will be devolved to Strategic Authorities, as set out below.

It is important to note that the Government regards these powers as **“a ceiling and not a floor”**. The Bill sets out a process for Strategic Authorities to take over the responsibilities of existing Police and Crime Commissioners and plans to develop their role in engaging with Integrated Care Partnerships that deliver health services in their regions.

To enable this, HM Treasury will also agree flexible allocated funding for Mayoral Strategic Authorities, with a long-term investment fund. Once the institution has matured, the Government aims to provide a flexible integrated Settlement to Mayors.

## Growth and the economy

Economic growth is Labour’s foremost mission – and the Government intends for Strategic Authorities and directly-elected Mayors to be at the centre of delivering it.

### Local Growth Plans

- The Bill includes a statutory requirement for all Strategic Authorities to produce a Local Growth Plan, laying out a long-term vision for growth in their region over the next decade, alongside a roadmap on how this can be achieved.
- These Local Growth Plans should lead on a limited number of shared strategic priorities and set out a pipeline of investment opportunities.
- Bilateral strategic partnership forums will be established with every Strategic Authority, to strengthen partnership working and align national and local policy making.
- The Office for Investment will work with Strategic Authorities to develop and jointly market investible propositions for significant, commercially viable opportunities.
- Strategic Authority Mayors be given a seat on the Mayoral Data Council to join up senior data leaders with central government decision-making on data issues that affect them.

### Future Regional Innovation Funding Programme

- A Future Regional Innovation Funding Programme will be developed with Strategic Authorities to develop a future regional innovation funding programme as part of the second phase of the Spending Review.
- UK Research and Innovation will extend its regional partnerships to other Strategic Authorities.
- Strategic Authorities will also be key partners in boosting culture, heritage and the visitor economy, supported by close integration with arm’s length bodies like Historic England.

### Tax and Borrowing

- While devolved authorities can already charge a Mayoral Precept, the revenues can only be used for a limited range of functions. The Bill will remove that restriction to give Mayors flexibility.
- The Bill will also confer a power for Strategic Authorities to borrow in order to invest in infrastructure.
- Separately, the Government are considering other potential forms of fiscal devolution in future.



# Housing and strategic planning

The Government intends for Mayors to play a leading role in delivering new housing in their regions – and to be the spatial and strategic authorities who can make sure they meet the target of 1.5m new homes by the end of this Parliament.

## Spatial Development Strategy

- All areas, with or without a Strategic Authority, will be obliged to produce a Spatial Development Strategy (SDS) under the terms of the Planning and Infrastructure Bill.
- SDSs will be adopted with the support of the majority of constituent councils. In case of a deadlock, the Mayor will have the casting vote.

## London-style Development Management Powers for Mayors

- The Bill will grant Strategic Authorities London-style development management powers, which will enable Mayors to shape the strategic direction of housing and economic growth in their regions. These will include:
  - A duty on local planning authorities to consult the Mayor on applications of potential strategic importance
  - Powers to intervene on applications of potential strategic importance, including a power to call-in applications
  - Powers to make Mayoral Development Orders, where Mayors can grant upfront planning permission for a strategic development in their area

## Mayoral Community Infrastructure Levy

- The Bill gives Strategic Authorities the power to charge developers a Mayoral Community Infrastructure Levy (MCIL) to ensure that new developments come with the right infrastructure.
- Only Strategic Authorities with a Spatial Development Strategy will be able to charge the (MCIL).
- Through this, Homes England will become a more regionalised model over time, so the agency is more responsive to the economic plans of each area.
- In the short term, Home England's accountability to Strategic Authorities will be increased, including giving Strategic Authorities the ability to steer and monitor progress in delivering objectives set out in their wider plans and to escalate any issues to Ministers.

## Grant Funding for regeneration and housing delivery

- Mayors will be granted specific funding to deliver on housing ambitions, with control of grant funding for regeneration and housing delivery.
- The Bill includes a streamlined process for the establishment of Mayoral Development Corporations, to enable faster and more effective regeneration and development.
- The Bill confers housing and land functions of both Homes England and local authorities onto Strategic Authorities, so the Strategic Authority can acquire land for regeneration and homes.

## Future Affordable Housing Programmes

- Over time, the Government is seeking to move towards full devolution of funds and delivery for affordable housing.
- In the short term, Strategic Authorities will be given the ability to set the strategic direction of any future affordable housing programme in their area, including shaping the tenure mix and identifying priority sites for development.
- To support this, this will include upfront indicative spend per authority, subject to projects being identified, to support the biggest increase in social and affordable housebuilding in a generation.

# Transport and local infrastructure

The Government want decisions about transport to be made closer to the people who rely on it. As such, the Government intend for Strategic Authorities to take greater oversight over local transport networks.

## Roads

- Strategic Authorities will become the key coordinator in their local road network, working with National Highways on the strategic road network and constituent unitary councils on local roads.
- The Strategic Authority will be required to establish a Key Route Network and will hold a Power of Direction over this network to support delivery of their agreed Local Transport Plan.
- The responsibility for roads will remain with constituent authorities unless agreed otherwise, but Strategic Authorities are encouraged to work to streamline arrangements across their area.
- Lane Rental Schemes will be devolved, to enable Local Highway Authorities to charge for works on busy roads and busy times with the aim of minimising authorities.
- Approvals for stopping up orders will be devolved, allowing Local Highway Authorities to permanently close roads, subject to planning consent.

## Rail

- There will be enhanced engagement with Strategic Authorities on how local rail ambitions can be reflected in the national rail planning process, including through mayoral partnerships.
- A statutory role for Mayors will be introduced in governing, managing, planning and developing the rail network, furthered through embedded collaboration.
- If they meet criteria, Mayors will be given the option for greater control over appropriate local stations, so they can on economic growth and improve accessibility and connectivity in and around stations.
- Mayors will have a right to request further rail devolution, up to full devolution of defined local services, building off the success of rail models in London and Liverpool.
- Greater powers for mayors to manage rail networks and introduce London-style public transport, where buses, trains and trams are integrated into one system with pay-as-you-go fares and joined-up services.

## Local Transport Plans

- Local Transport plans will be introduced, and required to regard all other Strategic Authority plans and strategies, as with the Spatial Development Strategy.
- Constituent authorities will be required to carry out functions in line with the plan, such as when they are using their powers over local roads.

## Micromobility

- The Bill sets up Strategic Authorities, rather than local councils, as the licensing authority for micromobility schemes, such as cycles and e-scooters.
- The regulatory framework for licencing will be developed and implemented through secondary legislation and supported by guidance

# Energy and climate change

To support their mission to make Britain a clean energy superpower, the Government will offer Strategic Authorities new powers over energy and environment decisions, to speed up progress to net zero.

## Retrofit Funding

- Mayors will be handed control of retrofit funding as part of the Integrated Settlements, providing a strengthened route to delivering the Warm Homes Plan locally.
- This will begin with a transition period, that enables areas to build capacity and capability, once this is established, funding will transition to becoming part of the areas' Integrated Settlements. The transition delivery is set to be at the latest, 2028.

## Energy Local Plans

- Strategic Authorities will be given a role in the delivery of Great British Energy Local Plans, so as to deliver local sustainable energy generation strategically, and support the roll out of small-medium renewable energy projects.
- They will also play a role in the wider energy system, becoming zoning co-ordinators for local heat networks, with their plans taken account in the National Energy System Operator's (NESO's) Regional Energy Strategic Plans.

## Heat Network Zoning

- Zoning coordinators within the Strategic Authorities will be able to designate areas as heat network zones, enabling the most appropriate level of local government to assume the role of coordinator, playing a key role in the delivery of heat carbonisation.

## Local Nature Recovery Strategies

- The role of Strategic Authorities in Local Nature Recovery Strategies will be expanded, with an intention that they should lead them over time.
- This will include convening partnerships, helping coordinate action, funding and investment and wider environmental delivery across their areas, which they will be required to report.
- The Government hope to explore future devolution to Strategic Authorities over issues such as water management, the circular economy, pollution, or flood resilience.

# Health and wellbeing

Strategic Authorities will play a key role in taking action on the social determinants of health, through working with other local leaders to move away from traditional forms of service delivery to a holistic approach, organised around service users.

## Improving the public's health

- The Bill will introduce a new Health Equalities Duty on Strategic Authorities, requiring them to 'have regard' to the need to (i) improve the health of the people living in their areas and (ii) reduce health inequalities between the people living in their areas.
- To support better join-up between Strategic Authorities and Integrated Care Systems, Mayors (or a delegate) will be appointed to Integrated Care Partnerships in their local area.
- It will also be expected that a Mayor or a delegate is considered for the position of Chair or co-Chair of the Integrated Care Partnership, alongside Local Authority, Integrated Care Board and independent chair options.

## Skills and employment support

The Government believes that the skills and employment support provision in regions should be more relevant to local jobs. As such, the Bill looks to devolve significant new responsibility in this area.

### Adult skills and post-16 education

- Non-apprenticeship adult skills funding will be devolved to Strategic Authorities.
- Strategic Authorities will hold joint ownership of the Local Skills Improvement Plan, alongside Employer Representative Bodies. They will be involved in the process of designating the representative body and establish sector skills priorities to help progress with their wider plans.
- Strategic Authorities and Employer Representative Bodies will be required to confirm they are both content with the plan before it is sent to the Secretary of State for Education.
- Local Skills Improvement Plans will be clearly linked to Local Growth Plans, relevant parts of the Industrial Strategy, and Skills England's assessment of skills needs.

### 16-19 Skills

- Mayoral Strategic Authorities will have a crucial role ensuring a clear pathway of progression from education into further education and local employment opportunities.
- There will be regular opportunities to feed priorities to the Department of Education, and a prioritisation of securing work and industry placements with local employers that relate to education, training and career paths.
- The joint ownership of the Local Skills Improvement Plan model will also give a clear mechanism to help inform the skills offer locally.

## Strengthening the Greater London Authority

The legislation recognises the special position of the Greater London Authority (GLA) and seeks to strengthen its powers and responsibilities.

- The Bill introduces a power for the Secretary of State to confer new powers on the GLA – or to amend via regulations the Greater London Authority Act (1999) to change the GLA's responsibilities.
- Bill also empowers the Mayor of London to decide on the sale or long-term lease of Transport for London land, by removing the current requirement for the Transport Secretary's consent.
- The Mayor of London is granted the power to convene meetings with local partners to address relevant local matters, enhancing collaboration and coordination within Greater London.
- The Mayor can request collaboration with other elected matters of shared interest, promoting inter-regional cooperation.



## How does this differ from Local Government Reorganisation?

In addition to Angela Rayner's "devolution revolution", designed to devolve key powers down to Strategic Authorities, the Government also aims to simplify local government in England in a process called Local Government Reorganisation (LGR).

LGR is the Government's plan, announced in December's English Devolution White Paper, to encourage (or if necessary, direct) local authorities in England to re-structure themselves into larger, simpler, stronger unitary authorities of around 500,000 residents each. This will involve county councils and district/borough/city councils, as well as smaller unitary councils, to be merged and abolished.

This programme is ongoing and is separate from delivering new Strategic Authorities for regions. However, both processes are designed to ensure that, English local government becomes stronger and more resilient overall. The new unitary authorities will be constituent partners to the Strategic Authority.

**However, the English Devolution and Community Governance Bill also makes a number of changes to local councils themselves, to help facilitate stronger local government:**

The Bill:

- enables the Secretary of State to establish a simpler legal process for LGR.
- provides the Secretary of State with a legal power to direct councils to develop a reorganisation proposal, if they are unwilling to make progress.
- mandates the use of a Leader-and-Cabinet model of executive decision-making, withdrawing the committee model and preventing any council moving to a council mayor.
- introduces a requirement on all local authorities in England to establish effective neighbourhood governance.

## Next Steps

Now that the English Devolution and Community Empowerment Bill has been published and received its First Reading in the House of Commons, the next step will be a Second Reading debate on the principles behind the legislation. The date for the Second Reading debate has yet to be announced.

Following that debate at Second Reading, a Public Bill Committee will be formed and will accept evidence from those with views on the Bill. Should you be interested in submitting views on the Bill to this Public Bill Committee, please contact your Cavendish team who will be able to assist you in this process.