

Report to: Cabinet

Date of meeting: 20 March 2025

Title of Report: Devolution Consultation Response

By: Chief Executive

Purpose: To consider the Council's response to the Government's Consultation on Establishing a Mayoral Combined County Authority across East Sussex, West Sussex and Brighton and Hove.

RECOMMENDATIONS:

The Cabinet is recommended to:

- 1) approve in principle the response to the Consultation set out at Appendix 2; and
 - 2) delegate to the Chief Executive in consultation with the Leader authority to finalise the response for submission to Government.
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1. Background

1.1 On 16 December 2024, the Government published its English Devolution White Paper which set out its ambitions in relation to Devolution and Local Government Reorganisation. The Government's clearly stated preference was for all parts of the country to eventually have a Mayoral Strategic Authority. Having established the Council of Nations and Regions and the Mayoral Council, the Government's policy places Mayors "front and centre" as fundamental partners to the Government. Set out in the White Paper was an intention to invite a number of places to join the Government's Devolution Priority Programme. These places would be those that are ready to achieve mayoral devolution at pace.

1.2 Cabinet received a report on 9 January 2025 setting out the position of the Government and recommending that the Council apply to join the Devolution Priority Programme. A number of potential advantages which could benefit the residents and businesses of the County were set out, including:

- Having a Mayor elected by 2026, which is the earliest point,
- Having access to the Mayoral Strategic Authority level of the framework (as set out in the White Paper),
- Taking a seat at the Council of the Nations and the Regions/Mayoral Council to feed into national policy making,
- Starting the clock on getting to Established status, which requires a Mayor being in place for 18 months, which if reached, unlocks the single settlement, and
- Backing from government, including Ministerial support and engagement to meet timescales for May 2026 and capacity funding to start flowing the year before the election.

1.3 On 9 January 2025 following a debate at Full Council the Cabinet agreed that East Sussex County Council (ESCC) should apply to be part of the Devolution Priority Programme. On 5 February 2025 the Government confirmed that Sussex was one of the 6 areas nationally that had been successful in their application. The Government has indicated that it is minded to establish a "Mayoral Combined County Authority for Sussex and Brighton". There is a statutory process that has to be followed which includes

seeking local views to inform the final decision by Government. The Government therefore launched a consultation on 17 February which will run until 13 April 2025. A copy of the consultation document is at Appendix 1 and summarised below. The consultation document can also be viewed via: [Sussex and Brighton devolution consultation - GOV.UK](#)

1.4 In deciding whether to establish the Mayoral Combined County Authority (MCCA) the Government will need to decide whether:

- a) They consider that the establishment of a Combined County Authority in the area is likely to improve the economic, social and environmental wellbeing of some or all of the people in the area;
- b) Establishing a Combined County Authority in the area is appropriate having regard to the need to:
 - Secure effective and convenient local government; and,
 - Reflect the identities and interests of local communities.

1.5 Should the Government decide to proceed, the consent of the Councils will be required following which legislation will be introduced to establish the Combined County Authority and make provision for the election of a Mayor. The Government has expressed an intention for the Combined County Authority to begin work delivering local priorities from when it is established and therefore the legislation giving effect to its establishment will also confer some transport and economic regeneration functions. Thereafter, the Government will introduce an English Devolution Bill with a view to establishing a statutory framework that automatically confers all the functions that are set out in the Devolution Framework (which are explained in Section 3 of the consultation document at Appendix 1).

2. The Consultation Document

2.1 The consultation document sets out the proposed institutional, governance and decision-making arrangements. In particular it proposes that the MCCA covers the local authority areas of “East Sussex, West Sussex and Brighton” and is formally known as the “*Sussex and Brighton Combined County Authority*”.

2.2 The Constituent Councils will be East Sussex County Council, West Sussex County Council, and Brighton and Hove City Council, with each council appointing 2 representatives (and the same number of substitutes). The document proposes that there will be 6 constituent council members in total. It is unclear what the position would be if following Local Government Reorganisation there are more than 3 unitaries across the area, (although the consultation document sets out that the governance and decision-making arrangements within the Combined Authority will be updated to reflect any changes needed). The Mayor will be a constituent member and would exercise the mayoral functions outlined in the Devolution Framework on behalf of the MCCA, and will be required to appoint a Deputy.

2.3 The consultation paper sets out that the Constituent Authorities will be able to appoint a maximum of 6 non constituent and associated members. Examples of such members would be a district or borough council (who under the relevant legislation cannot be a full constituent member), local NHS Trust, the Police and Crime Commissioner or a local registered provider and authorities. Associated members are named individuals who can provide particular experience or expertise e.g. on active travel or local business. Non constituent members (but not associated members) can be given voting rights at the discretion of the Combined County Authority.

2.4 It is proposed that no decisions can be made at a meeting unless the Mayor (or Deputy) and at least 4 constituent members are present. All members would have a single vote. Decisions would be approved by a simple majority in favour, including the Mayor.

2.5 The Authority will have at least one Overview and Scrutiny Committee and one Audit Committee.

2.6 The consultation document sets out a summary of the powers and functions that will be available which reflect those set out in the White Paper and are summarised in the Devolution Framework Summary Table in Annex A of the consultation document at Appendix 1.

Funding

2.7 It is proposed that the MCCA would receive devolved funding from central government with a view to giving the MCCA control over how funding was spent to best meet local need. This includes funding relating to:

- Housing and regeneration,
- Local Growth,
- Adult Skills (except apprenticeships), and
- Local transport.

2.8 The MCCA would also receive a 30-year “Investment Fund” from central government. The amount of this fund will be confirmed at the Government’s Spending Review in June 2025. The consultation document sets out that this will be a flexible fund, with locally set priorities, to drive economic growth. The 30-year period is to give certainty when local leaders make investment decisions and will be a mix of revenue and capital spending.

2.9 The Authority will also be able to raise a precept to raise money for local priorities. To help establish the MCCA there will be capacity funding from the Government, and we await details in relation to this.

Transport and local infrastructure

2.10 The consultation paper sets out that the MCCA would become the Local Transport Authority for the area, becoming responsible for public transport services instead of upper tier local authorities as is currently the case.

- **Bus and active travel** - The MCCA will play a key role in relation to buses and active travel having the power to work with bus operators to set a vision for services across the whole of the area; the MCCA will award contracts for buses in their area which can be used to determine routes, timetables, fares and branding and could establish publicly owned bus companies. The MCCA would be expected to produce plans, with timescales, to decarbonise and reduce air pollution from the bus fleet.

Active Travel England would support the MCCA to ensure a consistent approach to safety and accessibility for all users by increasing capability and addressing skills gaps.

- **Rail** – the Government intends that the Mayor will have a statutory role in governing, managing, planning and developing the rail network, embedding the voice of their community in decisions of the rail network. Mayors will be given the ability to capitalise on opportunities around local rail stations. This may include regenerating the areas around the station, working up different forms of transport or building homes.

The MCCA will have an important role in engaging with the Department of Transport on its national rail planning process, and will collaborate with the Government to deliver ambitions on ticketing such as building on existing pay as you go pilots.

- **Roads** – Responsibilities for local roads would remain with the relevant council, but the MCCA will play a key coordination role in the local road network, working with National Highways and the council.

The MCCA would establish and coordinate a Key Road Network (KRN) on behalf of the Mayor. This KRN would be made up of locally important roads across the area and enable them to be managed in a strategic manner. The intention being to reduce congestion, improve traffic flow and introduce bus priority or cycle infrastructure across the area. The Mayor will also be given the power to be able to require a constituent council to use their road in a way that is consistent with the KRN.

The Government is considering devolving approval of local Lane Rental schemes to MCCAs. Councils would therefore seek approval from the MCCA to charge rather than the Department of Transport.

Skills and Employment Support

2.11 The ambition for the MCCA is to tailor training and support for adults in the area, having regard to local priorities and available jobs. This would be underpinned by devolved adult skills funding and functions from Department for Education and the devolution of future “supported employment” funding from the Department of Work and Pensions, which is intended to help those with disabilities, health problems and more complex barriers to find a suitable job and sustain work.

2.12 Alongside this, it is intended to give the MCCA a role in co-designing any future national employment support programme that is additional to the core work of Jobcentre Plus.

2.13 The MCCA would, with Employer Representative Bodies, take joint ownership of the Local Skills Improvement Plan, which is intended to set the strategic direction for skills provision helping lead to good quality employment opportunities for 16-19 year-olds in the area.

2.14 It would also be the role of the MCCA to produce, for its area, a local Get Britain Working Plan, focused on reducing economic activity and driving integration between national and local health work and skills provision.

Housing and Strategic Planning

2.15 The MCCA is stated as being integral to the Government meeting its commitment of delivering 1.5 million new homes in this Parliament. The MCCA would be given control of funding to support regeneration and housing delivery, have a strategic place partnership with Homes England and have powers to drive regeneration in the area, such as the power to establish statutory bodies to deliver regeneration schemes.

2.16 The MCCA with the Mayor would be empowered to deliver and propose Spatial Development Strategies (SDS) and will have the power to “call in” planning applications of “strategic importance”. It is not yet clear what impact this will have on the local authority’s current responsibilities. The consultation document envisages that these powers will enable the Mayor to scrutinise the most significant planning proposals to support the SDS. The Mayor will also have the ability to impose a “Mayoral Community Levy”, the revenue of which will help deliver local infrastructure.

Economic development and regeneration

2.17 It is proposed that the MCCA plays a crucial role in attracting international investment for the area. To achieve this the Authority will:

- Take lead responsibility for managing and focussing local programmes that provide businesses with support and advice,
- Host the Local Growth Hub (part of the national Business Growth Service - tailored for the needs of the area),
- Form a strategic partnership with the Department for Business and Trade to align national and local policy making,
- Work in partnership with businesses and universities, with stronger direct connections with UK Research and Innovation, and
- Collaborate with the Department of Culture Media and Sport.

Environment and climate change

2.18 The Government considers the MCCA a crucial partner in transitioning Great Britain to a low cost, clean power energy system by 2030 and save households money on their bills by implementing the Warm Homes Plan, which would also reduce carbon emissions.

2.19 The Consultation sets out that the MCCA would have roles to play:

- In co-ordinating the zoning of local heat networks,
- On net zero including on Great British Energy's Local Power Plan and Warm Homes Plan, and
- In Local Nature Recovery Strategies through convening partnerships and coordinating action, funding and delivery.

It is not yet clear what impact this will have on local authority's current responsibilities.

Health, wellbeing and public service reform

2.20 MCCAs will have a new bespoke duty to ensure that it takes into account the need to improve health outcomes and reduce health inequalities when exercising its powers and functions. The Government considers that this would give the Authority a clear stake in improving health outcomes and support the Authority to drive a "health in all policies" approach.

Public Safety

2.21 To compliment the roles of local councils in this area, the government has expressed the intention to increase the number of Mayors who take on Police and Crime Commissioner and Fire and Rescue Authority responsibilities. The consultation document at Appendix 1 sets out that where devolution areas align with police force and fire and rescue geographies, Mayors would become responsible for those functions.

3 ESCC Consultation Response

3.1 The establishment of an MCCA will have significant implications for the area and also the Council. Appendix 2 sets out the proposed response to the consultation document. In summary, the response is

supportive of the creation of the MCCA and recognises the benefits that it can bring to the area. The response does raise some concerns such as in relation to the proposed name and also seeks further information and reasoning in relation to issues such as the voting arrangements, involvement of partners and reassurance in relation to issues around funding and transition arrangements e.g. TUPE and contract novations, where the MCCA takes over particular functions.

3.2 The consultation document expands on the White Paper and provides some further clarity about the powers and functions that the MCCA and Mayor will have, and how those relate to the current local government landscape. It is clear from the consultation that the MCCA as well as drawing powers down from Government will also perform functions that are currently the responsibility of the local authorities. Greater clarity will be provided when the Devolution Bill is published with a view to it becoming legislation in 2026, setting out those powers and functions that will be automatically vested in the MCCA. It is likely that any MCCA will come into being ahead of the Bill becoming law and so the powers and functions that any MCCA would have in the meantime, will be set out in the statutory instrument that gives effect to the creation of the Authority.

4. Conclusion and Reasons for Recommendations

4.1 The establishment of a MCCA could lead to significant benefits for the area, attracting investment and ensuring a strategic approach across a significant geography to ensure a joined-up approach in relation to areas including environment and climate change, transport, infrastructure, skills, economic development and strategic planning. There are still details that need clarification which are raised in the draft consultation response and will also be raised as discussions progress, should approval be given by the Government to establish the Authority, and prior to the Council giving its approval to the Statutory Order that will be required.

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Local Members
All

Background Documents
English Devolution White Paper - GOV.UK