

**Report to:** Leader and Lead Member for Strategic Management and Economic Development

**Date of meeting:** 15 September 2025

**By:** Chief Executive

**Title:** Devolution update

**Purpose:** To provide an update on the progress of devolution in Sussex, including an overview of the content of the Statutory Instrument that would create the Sussex Mayoral Combined County Authority (MCCA) and the impacts for East Sussex County Council as a result of the creation of the MCCA.

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## **RECOMMENDATION**

**The Leader and Lead Member is recommended to note the update and seek the views of the County Council.**

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### **1. Background**

1.1 In December 2024, Government published its English Devolution White Paper which set out its ambitions for devolution and the eventual creation of Mayoral Strategic Authorities (MSAs) covering all areas of England. In February, East Sussex County Council (ESCC), jointly with Brighton & Hove City Council (BHCC) and West Sussex County Council (WSCC), was accepted on to the Devolution Priority Programme for the establishment of a Mayoral Combined County Authority (MCCA) for Sussex, with the three councils as Constituent Authorities. A public consultation was launched by the Ministry of Housing, Communities and Local Government (MHCLG), and on 17 July 2025 Government published the responses to the consultation and confirmed that the relevant statutory tests had been met to proceed with the MCCA's establishment.

1.2 On 10 July 2025, Government published the English Devolution and Community Empowerment Bill which sets out the legislation required to deliver the White Paper's vision for broadening and deepening devolution, including providing clarity on the powers that will be exercised by Strategic Authorities. The Bill would set into law the automatic transfer of powers in the Devolution Framework to Strategic Authorities, and would see some powers devolved down from Government, while others would transfer upwards from Constituent Authorities.

1.3 In order to create a Strategic Authority all the proposed Constituent Authorities must consent to its creation. To proceed with the establishment of the Sussex MCCA, the next step is for the three Constituent Authorities to formally consent to the laying of a Statutory Instrument (SI) in Parliament to initiate the legislative process to establish the MCCA. Cabinet will consider whether to consent to the laying of the SI at its meeting on 21 October 2025, it is recommended that this be informed by a debate at Full Council on 24 September. WSCC and BHCC will consider whether to provide consent through their own decision-making processes at a similar time to ESCC.

1.4 This report sets out the implications of the SI, and the related provisions within the Devolution Bill, for the Sussex MCCA and ESCC, together with proposed next steps in local implementation of devolution.

### **2. Statutory Instrument (SI)**

2.1 The SI, which will be called the Sussex & Brighton Combined County Authority Regulations 2026, is the piece of secondary legislation by which the Sussex MCCA will be legally established. Under parliamentary procedure for the introduction of legislation, the full and final text of the SI would be made public at the point it is laid in Parliament. In order for Constituent

Authorities to understand the proposed content and the implications of consenting to the laying of the SI, a summary of the provisions it would make and their practical impacts has been prepared and is included as Appendix 1. Key implications of the SI are set out below, with further detail in the appendix. It should be noted that the SI confers on the Combined County Authority (CCA) a fairly limited set of functions, due to the fact that the majority of functions will be transferred via the English Devolution Bill (further detail at paragraph 3.1).

**2.2 Commencement date** – the SI will come into force and the CCA would be created the day after it is agreed by Parliament. Mayoral Functions will come into force on 11 May 2026, after the inaugural Mayoral election on 7 May 2026.

**2.3 Name** – the Mayoral Strategic Authority will be called the Sussex & Brighton Combined County Authority.

**2.4 Election of Mayor** – a Mayor will be elected every fourth year. The Mayor will be able to employ a single political advisor.

**2.5 Transport** – functions which the SI will transfer to the CCA from the Constituent Authorities. These relate to the requirement to produce a Local Transport Plan (LTP), and associated statutory requirements and guidance for producing and publishing a LTP. These functions will only be exercisable by the Mayor. There will be a transition period ending 31 March 2027 during which the powers will be held concurrently by the CCA and Constituent Authorities.

**2.6 Power to pay grant** – the Mayor, on behalf of the CCA, may pay grant to Constituent Authorities towards their incurred (or to be incurred) expenditure. Grant must be paid to cover the costs incurred by Constituent Authorities in exercising their highways functions.

**2.7 Funding** – The Mayor will be able to generate revenue for the delivery of all Mayoral and CCA functions through issuing a Council Tax precept. Constituent Authorities must ensure the reasonable costs of the CCA and Mayor exercising their functions are met, where the Mayor has decided not to use other funds available to the CCA to meet these costs. Where this is the case, the Mayor must agree with the CCA, prior to incurring any costs, ‘the Mayor’s budget’, which is total expenditure for the exercise of the Mayor’s functions. The Mayor’s budget will be separate from the CCA’s budget, which covers the costs of non-mayoral functions. The apportionment of funding contributions between Constituent Authorities may be made through a locally determined mechanism agreed by all Constituent Authorities, however in the absence of local agreement, apportionment of funding will be determined based on the population of each Constituent Authority as a proportion of the population of the entire CCA area.

**2.8** Appendix 1 also includes detail on the constitution of the CCA which will be included as a Schedule of the SI.

- **Membership and substitution** – each constituent authority must appoint two members to join the CCA, and two substitute members, either of whom may substitute for either member.
- **Chair** – A Chair and Vice Chair will be appointed from the CCA members for the period before the mayoral election. Once elected, the Mayor will act as Chair and the Office of Vice Chair will be abolished. Strategic Authority Mayors are already required to appoint a member of the CCA to be the Mayor’s Deputy and act for the Mayor if they are unable.
- **Non-constituent & associate members** – The CCA may have a maximum of six non-constituent and associate members in total, and each of these must nominate a substitute. Associate members may not vote; non-constituent members do not have voting rights unless the CCA resolves to give them voting rights.
- **Quorum** – before the first Mayor’s term, quoracy will require the Chair or Vice Chair be present as well as 3 of the members appointed by the Constituent Authorities. After the Mayor is elected, quoracy requires the Mayor (or Deputy Mayor acting as Chair) and four Constituent Authority members be present.
- **Voting** – The normal rule is that any decision of the CCA ahead of the Mayor being elected is by a simple majority. Once the Mayor is elected such a majority must include

the Mayor (or the Deputy Mayor acting in place of the Mayor). Each member of the CCA has one vote and there is no casting vote. The SI sets out 2 exceptions to the normal rule:

- A two thirds majority vote is needed to veto the Mayor's budget
- In the event of a tie, the Mayor has a casting vote on the Local Transport Plan
- **Remuneration** – Ordinary members of the CCA will not be remunerated except for travel and expenses. Remuneration will be allowed for the Mayor and the Deputy Mayor, provided they are not also a Leader of a Constituent Authority. Remuneration will also be allowed for members appointed to the Overview & Scrutiny Committee or Audit Committee of the CCA. Remuneration must be informed by the report of an Independent Remuneration Panel to be established by the CCA.

2.9 Should all three Constituent Authorities consent to the laying of the SI, it will then need to be debated in and approved by both Houses of Parliament. Parliament can only approve or reject SIs; it is not possible for them to be amended once they have been laid. Parliament is allowed up to 8 sitting weeks in which to approve the SI, and it is expected that this process would be completed at some point in early 2026, at which point the MCCA would formally come into existence.

### 3. Powers of the CCA and Mayor

3.1 Previously, devolution in England has been delivered through individually negotiated deals with specific areas, however the Devolution White Paper set out the Government's intention to move to a 'devolution by default' position based on a published Devolution Framework. The Devolution Framework is a standardised set of legal powers, funding commitments, and partnership/collaboration arrangements with Government and sets out what Strategic Authorities are entitled to at each level of devolution. The English Devolution and Community Empowerment Bill will confer the legal powers set out in the Devolution Framework automatically on each level of Strategic Authority. The powers conferred on the CCA and/or Mayor by the SI are therefore very limited when compared with the SIs that have established existing MSAs. This reflects the fact that the majority of powers and functions that the Sussex MCCA will have will be automatically conferred via the Bill once it comes into force. For the most part, the purpose of the SI is for the legal establishment of the CCA. The Bill is currently before Parliament, having had its second reading on 2 September 2025, and it is the Government's intention that it will receive Royal Assent before the inaugural election of the Sussex Mayor.

3.2 The powers that will be conferred on the CCA and/or the Mayor once the English Devolution and Community Empowerment Bill receives Royal Assent are set out in full in Appendix 2. This also outlines the associated governance arrangements for the discharge of each function and whether the functions are being drawn up from Constituent Authorities or being devolved down from Government. Until the Bill has been approved by Parliament the provisions within it remain subject to amendment.

3.3 The Bill would make provision for the CCA and/or Mayor to have statutory functions in 7 "areas of competence" which are:

- Transport and local infrastructure
- Skills and employment support
- Housing and strategic planning
- Economic development and regeneration
- Environment and net zero
- Health, wellbeing and public service reform
- Public safety

In addition, the Bill will confer General Mayoral Powers of Competence on the CCA and its Mayor, providing legal force to Mayors' existing "soft powers" and convening role, designed to ensure the Mayor can drive growth, collaboration and improvement across public services.

3.4 It is important to note that while some of the powers and functions that will be conferred are held by the CCA, others are held only by the Mayor, and others are held by both the CCA and the Mayor. Appendix 3 sets out which devolved functions will be solely exercisable by the Mayor.

3.5 Should the Constituent Authorities all consent to the SI and the CCA be established, this would have significant and wide-ranging impacts for the Council and a number of its partners. While many of the functions are newly provided for powers devolved down from Government in the English Devolution and Community Empowerment Bill, a significant proportion of the CCA's functions will be drawn up from Constituent Authorities. Where powers are currently held by the Council, these would either transfer fully to the CCA, or the CCA would hold them concurrently with ESCC and other Constituent Authorities and for some of the functions listed, with District and Borough Councils as well.

3.6 The functions that would transfer from ESCC to the CCA are:

- **Local Transport Authority functions** – this includes the responsibility to produce a Local Transport Plan as included in the SI, but also powers and duties to prepare a bus strategy, enter into partnerships with bus operators, enter into franchising schemes, and manage travel concessions. These powers, currently held by each of the Constituent Authorities, will be consolidated over the CCA geography, with the CCA being the only Local Transport Authority for the area. Highways Authority and Traffic Authority functions will remain with the relevant Constituent Authorities.

3.7 The functions that would be held concurrently by ESCC (and other Constituent Authorities) and the CCA are:

- **Agreements between authorities and strategic highways companies** – The CCA will be able to enter into agreements with highways authorities to delegate or share the maintenance and improvement of roads. The relevant Constituent Authority would need to consent to this function being exercised in its area.
- **Civil enforcement of road traffic contraventions** – The CCA will have powers to enforce parking, bus lane and moving traffic contraventions through penalty charge notices if the relevant Constituent Authority already has these functions and consents to this function being exercised by the CCA in its area.
- **Road user charging** – the power to make a road user charging scheme, such as congestion charging, with a Constituent Authority. This can only be exercised jointly with the relevant Constituent Authority, and Constituent Authorities will continue to be able to exercise it independently.
- **Housing and land powers** – The CCA will have powers to acquire and develop housing and land, and a duty to review housing needs in its area. The CCA will have compulsory purchase powers, and some compulsory purchase powers will be only exercisable by the Mayor. Where these powers are being exercised the relevant local planning authorities must be consulted before use of either. Local authorities will continue to be able to exercise compulsory purchase powers independently.
- **Duty to prepare an assessment of economic conditions** – The CCA must prepare and maintain an assessment of the economic conditions of the area.
- **Power to encourage visitors and provide entertainment** – powers that enable the CCA to encourage people to visit the area and provide, support and/or contribute to the provision of entertainment, including to provide premises, facilities or publicity for cultural and recreational events.
- **Other administrative powers** – powers to arrange for publication of information relating to functions of the CCA, power to prosecute and defend legal proceedings, powers to conduct research and collect information, and a duty to share information related to crime and disorder with relevant authorities.

3.8 In addition to the transfer and concurrent use of certain powers, there would be a number of new powers conferred on the CCA that would impact on ESCC, as well as powers and functions proposed to move from key strategic partners of the Council to the CCA.

- **Adult Education Functions** – subject to a transition period, the CCA will have some powers relating to education and training of adults, supported by devolved adult skills funding.
- **Spatial Development Strategy** – the CCA will have a duty to produce a Spatial Development Strategy to support strategic planning for development across the whole CCA area. The approval of the strategy would be through a simple majority vote which includes the Mayor, although in the event of a tied vote the Mayor would hold a casting vote.
- **Local Growth Plan** – the CCA will have a duty to produce a Local Growth Plan. This power is separate to, but linked to, the duty on the CCA to prepare an assessment of economic conditions.
- **Key Route Network** – The CCA will have a duty to set up and coordinate a Key Route Network (KRN). For roads that are included in the KRN, the Mayor will hold a Power of Direction over Constituent Authorities to use their powers related to these roads to support the delivery of the agreed LTP.
- **Transport Levy** – The CCA will be able to issue a levy to Constituent Authorities to meet the cost of exercising transport functions where these costs are otherwise not met.
- **Mayoral Community Infrastructure Levy (CIL)** – The Mayor will have the power to charge developers CIL. Local Planning Authorities will retain their CIL powers.
- **Health improvements and inequality duty** – the Mayor and the CCA will have a duty to have regard to the need to improve the health of the population of the area and reduce health inequalities in the CCA area when exercising any of their duties.
- **Police and Crime Commissioner (PCC) Functions** – The Mayor will be, by default, responsible for the exercise of PCC functions where mayoral and police force boundaries align, which they would in Sussex. The Mayor will be required to delegate PCC functions to a Deputy Mayor for Policing and Crime, which is a separate role to that of Deputy Mayor, as the Deputy Mayor for Policing and Crime is not required to be a member of the CCA. Transfer of these functions is expected in the spring of 2027, at the start of the financial year and will be subject to secondary legislation.
- **Fire and Rescue Authority (FRA) Functions** – The Mayor will be, by default, responsible for the exercise of FRA functions where mayoral and FRA boundaries align. It will be possible for the Mayor to be responsible for FRA functions over more than one FRA area. In places where Constituent Authorities are the FRA, as WSCC is, functions will be passed up to the Strategic Authority. The Mayor will have the option to delegate FRA responsibilities to a Deputy Mayor for Policing, Fire and Crime, or a Public Safety Commissioner. Transfer of these functions is expected in the spring of 2027, at the start of the financial year and will be subject to secondary legislation, and Government may look to achieve coterminosity of mayoral and FRA boundaries when transferring functions.

3.9 Detailed work is underway to understand the precise impacts that the SI and the Bill would have for County Council functions and services, including the implications for staff, funding streams and contracts where the MCCA would fulfil functions currently held by ESCC.

3.10 Once the effects are more fully understood, ESCC, BHCC, and WSCC will look to agree a single interpretation of the functions of the CCA to ensure that, where this impacts on the current delivery and responsibilities of councils, a cohesive approach is taken to transition arrangements as required.

## **4. Financial implications**

4.1 The establishment of the Sussex MCCA, would have significant ongoing financial implications for the County Council. Government has indicated that funding for functions for which the MCCA will have responsibility will transfer, and we await details of what funding will transfer but understand that it will likely include funding for LTP and highway maintenance. Further clarity is being sought and an assessment is being undertaken on the implications of this where those functions will continue to be performed by the local authority on behalf of the CCA/Mayor. The Mayor will have the discretionary power to reimburse the authority by way of a grant.

4.2 A long-term investment fund for the area has been a key incentive from Government for areas to pursue devolution, and this remains a core part of the offer to devolved areas. Confirmation of the 30-year Mayoral Investment Fund that the Sussex MCCA will receive is expected imminently.

4.3 In order to meet the costs of establishing the MCCA, Government has confirmed that once the SI has been laid, mayoral capacity funding of £1m for 2025/26 across Sussex, will be made available to support the set-up of the MCCA. Government has indicated that further capacity funding will be provided in 2026/27 and 2027/28 to support the ongoing development of the CCA. However, it is expected that Constituent Authorities will be required to meet the cost of the inaugural election, which would cost approximately £6m across Sussex. Work is ongoing to understand if and how this cost could be borne by the MCCA.

## **5. Local implementation**

5.1 Should the Constituent Authorities all consent to the laying of the SI, work will continue to prepare for the establishment of the CCA in early 2026. As previously reported to the Scrutiny Devolution Reference Group, an informal Partnership Board is being established and a Terms of Reference for it is attached as Appendix 4. A wider Stakeholder Forum will also meet to ensure wider engagement from interested bodies and organisations. Both the informal Partnership Board and the Stakeholder Forum will inform decisions relating to the establishment of the CCA to be taken by the individual Constituent Authorities, including ESCC.

5.2 As previously indicated, capacity funding provided by Government will be used to engage external resource to provide strategic, legal, governance, programme management, organisational design and stakeholder support to ensure the new strategic authority is legally established, operationally effective, and positioned for long-term success. This will also include work to prepare a first draft of the Local Assurance Framework, which sets out robust assurance, project appraisal and value for money processes the CCA will have, and is necessary to comply with the best value duty. This will be reported to Constituent Authorities for approval in due course.

5.3 The inaugural meeting of the MCCA would be held shortly after the SI coming into force, where the constitution would need to be agreed and officers appointed. A notice of election for the Mayor of Sussex must be published no later than 30 March 2026.

## **6. Conclusion and reasons for recommendations**

6.1 With the statutory tests to establish the Sussex MCCA having been met, work continues to understand the full implications that its creation will have on ESCC. The next step will be for the Constituent Authorities to consider whether to consent to the laying of the SI in Parliament which would enable the MCCA to be legally established.

6.2 This report outlines the impacts the SI and English Devolution Bill would have on ESCC and provides further detail on the expected role and functions of the Sussex MCCA. The Leader and Lead Member is therefore recommended to note the update and to seek the views the County Council before consideration by Cabinet.

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