



Ministry of Housing, Communities & Local Government

Rt Hon Angela Rayner MP

*Deputy Prime Minister and Secretary of State for
Housing, Communities and Local Government*
2 Marsham Street
London
SW1P 4DF

16 July 2024

RE: The next steps to devolution

Dear Leader,

I am delighted to be writing to you with the weight of a new Labour government behind me, laser focused on pushing power out of Whitehall and lighting the touch paper of growth across our regions.

In my first correspondence to you, I would like to invite you to partner with this government to deliver the most ambitious programme of devolution this country has ever seen. I know you agree that for too long, Westminster has hoarded power and held back towns, cities, and villages across the country from achieving their true potential.

Last week, the Prime Minister and I had the pleasure of meeting England's metro Mayors, a signal of intent about our desire to bring local leaders into the heart of our government. We discussed how to deliver sustained economic growth through better housing, more tailored skills, and decent, well-paid jobs, through both national and local levers.

This government has been elected on a manifesto to widen and deepen devolution across the country. I have seen first-hand the benefits of devolution, from better integrated transport and publicly controlled buses to new skills programmes and good, affordable housing projects.

But our ambitions go further. We will devolve new powers over transport, skills, housing, planning and employment support. As we have set out to Mayors, we want more regions to benefit from integrated settlements, with access to this important financial flexibility for mayoralities with capacity, strong accountability structures and exemplary track records of financial management.

We will move away from a deal-based approach, setting out clear conditions and a clear offer in return for places seeking devolution agreement, and will enshrine a presumption towards devolution, so places can take on new powers automatically if they meet certain conditions.

Devolution underpins our national mission to deliver economic growth for everyone, everywhere, raising living standards across the UK. This government will work in partnership with local leaders to implement Local Growth Plans, and I am excited to establish a Council of Nations and Regions to bring together the Prime Minister, the leaders of the devolved administrations and metro Mayors. I want to see more places represented at that Council, with more Mayors at the table.

Together, we can drive growth in every corner of the country. That is why we are inviting more places to use these enhanced powers and play a leading role in our national renewal. Now is the time to come forward and work with this new government to deliver growth in your area.

Many of you will have struggled to get devolution settlements over the line, or were in the process of negotiating a settlement before the general election. You may have been held up by lengthy negotiations over powers, geographies, or governance. This government will begin to work with you to resolve those issues.

My Cabinet Colleagues and I also understand that all too many councils are facing financial strain and have been left balancing new obligations with higher costs and interest rates after a decade of financial mismanagement from the centre. Rest assured, we will ensure that you have the resources to deliver new devolved powers and functions.

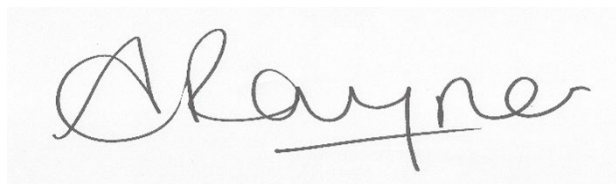
We know we will only be able to improve public services through economic growth, and it is critical you play a leading role in delivering it. But we also recognise this must be accompanied by reforms to local government and long term funding settlements, providing you with the certainty to plan and provide the best possible value for money for residents.

In due course, the government will publish a new devolution framework, setting out the new powers and flexibilities available to you. While we will not force places to take on a metro Mayor, we will not shy away from making the case for their huge advantages, with some powers continuing to be reserved for institutions with directly elected leaders, such as Mayoral Combined Authorities.

We continue to believe that new devolution settlements should be tailored to sensible economic geographies so that local leaders can act at the scale needed to effectively deploy their powers. In the majority of cases that will require local authorities to come together in new combined or combined county authorities. I encourage you to begin discussions with your neighbouring authorities on this basis.

The Minister for Local Government and my officials stand ready to meet to discuss proposals and to support you, so you are ready to board the train of devolution as we surge along this journey to give every community a voice in the future of Britain. I would welcome proposals by the end of September to participate in a first set of devolution settlements.

Yours Sincerely,

A handwritten signature in black ink, reading "Rayner". The signature is written in a cursive style with a horizontal line underlining the name.

RT HON ANGELA RAYNER MP

Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government