

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**  
**PORTFOLIO HOLDER'S**  
**URGENT REPORT TO CABINET**

**9 January 2025**

**Report Title:**            **Devolution and Local Government Reorganisation: White Paper**

**Submitted by:**        **Leader of the Council**

**Portfolios:**            **One Council, People and Partnerships**

**Ward(s) affected:**    **All Wards**

<b><u>Purpose of the Report</u></b>	<b><u>Key Decision</u></b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p>To seek the view and agreement of Cabinet in setting out the position of the Council following the release of the English Devolution White Paper in December 2024.</p>	
<p><b><u>Recommendation</u></b></p> <p><b>That Cabinet:</b></p> <ul style="list-style-type: none"> <li>• Notes the contents and implications of the English Devolution White Paper.</li> <li>• Pledges to stand up for the historic independence of the Borough.</li> <li>• Continues to work through the Staffordshire Leaders Board to develop and deliver devolution as set out in the Board's submission to Government in September 2024.</li> <li>• Supports the petitioning of residents in relation to the preservation of the Borough.</li> <li>• Calls for Newcastle-Under-Lyme's Members of Parliament to support the Borough's preservation, and that they engage with Government Ministers in stating the case for the Borough.</li> <li>• The Leader &amp; Chief Executive write to the Deputy Prime Minister and relevant Ministers stating the Council's position.</li> </ul>	
<p><b><u>Reasons</u></b></p> <p>This report outlines the contents of the English Devolution White Paper released on 16<sup>th</sup> December 2024, its implications for borough and district councils, and an initial response to the likely impacts on the Borough. The report further seeks endorsement of a campaign to stand up for the independence of the Borough, as set out its charter in 1173, and through subsequent local government reorganisations.</p>	

**1.    Background**

- 1.1**    Following the release of its English Devolution White Paper on 16<sup>th</sup> December 2024, Government has expressed its intention to seek devolution settlements in every part of the United Kingdom, with the creation of new governance arrangements at revised population sizes.

- 1.2 The Government has indicated that it is seeking the creation of new unitary authorities at a population size of some 500,000 residents, and Strategic Authorities at a population level of 1.5 million.
- 1.3 Civil servants have not yet provided any detail about criteria for exceptions to these criteria, or on the precise mechanism of their implementation. They have indicated that the forthcoming letter from the Minister for Local Government formally inviting LGR proposals will set out this detail by the end of January 2025. There will then be a consultation and response period until March (6-8 weeks).
- 1.4 In September 2024, prior to the release of the White Paper and at the Government's request, the Staffordshire Leaders Board submitted its collective devolution plan to Government. This covered five themes:
  - 1.4.1 Devolution must work for all: plans must reflect and respond to a deep understanding of local needs and opportunities. That is what our authorities have been working hard at over the summer.
  - 1.4.2 Form must follow function: if we are to accept another layer of governance in the county, at additional cost to the people of Staffordshire and Stoke-on-Trent, then the prize in terms of devolved functions, powers and resources has to be significant.
  - 1.4.3 Governance has to be inclusive: our Leader's Board works because all local authorities get to participate and contribute, and we want to ensure that this is also the case in any devolved arrangements.
  - 1.4.4 Commitment to subsidiarity: devolution should be to the most appropriate level of governance for the function in any question, and that should mean a combination of county-wide, local authority level and, perhaps most importantly, community level. We seek a devolution deal that gives us flexibility to make those judgements together.
- 1.5 The devolution proposal focused on five key areas, linked to the Government's missions and the Staffordshire Leaders' Board priorities:
  - Economic Development
  - Skills
  - Energy and Environment
  - Transport
  - Housing and Regeneration.
- 1.6 The Board awaits feedback from Government on the proposition. Leaders had previously welcomed the Government's flexibility on the governance arrangements for devolved powers, setting out that a deal with an elected mayor would not be suitable for the area.
- 1.7 It should be noted that there was no reference to forced local government reorganisation in the Labour Party Manifesto put before voters ahead of the General Election held on 4<sup>th</sup> July 2024.

## 2. Issues

- 2.1 The Loyal and Ancient Borough of Newcastle-Under-Lyme traces its history back to 1173, when records show that Henry II had granted a charter to the town and gave

strong support to the early borough over the next decade. Further royal charters have been granted to the borough by Kings Henry III, Edward I, Edward II, and Richard II, Queen Elizabeth I, Kings Charles II, James II and Queen Victoria.

- 2.2** The late Queen Elizabeth granted a new borough charter in 1974, following the Local Government Act of 1972.
- 2.3** This rich history was recently celebrated in the 850<sup>th</sup> anniversary events of 2023, and subsequent legacy activity. These events demonstrated a strong local association with the borough, including residents, civic groups, businesses and community organisations recognising the visit of the late Queen Elizabeth's visit in 1973 to mark 800 years of the borough, and the statue to this visit was unveiled in 2024 in Queens Gardens.
- 2.4** In 1995, North Staffordshire governance arrangements changed further with the creation of the unitary authority of Stoke on Trent. Through this change, Newcastle-Under-Lyme retained its borough status. The city subsequently trialled an elected mayoral model of governance, later abolished.
- 2.5** On 16<sup>th</sup> December 2024, the Government published its English Devolution White Paper. This set out both a desire to see local authorities work collaboratively, as had been extensively trailed by Ministers, but also set out a plan for local government reorganisation, which had not been shared with district and borough councils. Within this White Paper, the Government has stated that it wishes to see the rapid creation of new, far larger local authorities on a unitary basis, and with it the abolition of existing and historic boroughs, including Newcastle-Under-Lyme.
- 2.6** The reorganisation of local government is intended to happen within the lifetime of the current parliament, with all new structures in place by 2028. The Government is likely to have a policy preference for creating Combined County Authorities or other Strategic Authorities in which districts are not constituent members. It is also likely that the Government will prefer areas to undergo Local Government Reorganisation alongside creating new Strategic Authorities. Guidance is awaited on this, expected by the end of January.

### Borough Council Delivery

- 2.7** The Borough Council has demonstrated that it can focus and influence actions and decisions at a local level, close to residents, across areas which matter to them. This has recently included a number of key interventions.
- 2.8** Regeneration & Planning – developing working partnerships with developers and investors, our local social landlord and community interest groups, delivering a town centre regeneration programme in both Newcastle and Kidsgrove supported by Levelling Up funds which is responsive to both local need and investor opportunity. Forging and maintaining partnerships with national and local bodies has been both possible, and through nimble decision making has seized investment opportunities where a greater level of bureaucracy and more remote decision making may have stalled progress.
- 2.9** The Borough Council's dedicated focus on supporting the community with the extensive and ongoing issues at Walleys Quarry would likely not have been a priority for a larger, more remote authority with multiple demands. This included the Council being bold in using its powers and pressing for permission to pursue legal action against the operators when other agencies were not doing so.

- 2.10** The increased attraction to visitors of the Brampton Museum, attracting investment and greater footfall, expanded facilities and usage by local groups. As the Borough Council's primary cultural facility, efforts have been focused on supporting growth and a heritage-led cultural offer for the borough. These advantages may be lost if the Borough is submerged into a larger Council.
- 2.11** A strong leisure offer, built on local partnerships. Recognising that differing models of delivery work better in local places, the Council has both invested in the Jubilee 2 centre, working with the healthcare sector, local users and groups, but has also supported and secured investment for the community-run Kidsgrove Sports Centre, both facilities providing a complimentary offer across our two towns and the wider borough.
- 2.12** Civic Pride – from its award winning Britain and Newcastle in Bloom achievements, to the introduction of the Civic Pride campaign to work with partners, residents, voluntary organisations and businesses, local people have demonstrated their desire to get behind borough-focused activities which support making our places cleaner, safer and friendlier.
- 2.13** Net Zero and Sustainability – the Council has been able to adapt its working practices, investment and service delivery to ensure it meets its ambitious targets set out when it declared a climate emergency, including tree planting, planning, fleet and assets, and has worked with the private and academic sectors in developing borough-level initiatives. The ability to control these changes at a local level have been a near 70% reduction in our controlled carbon emissions.
- 2.14** The Local Government Peer Challenge reported in 2023 that Newcastle-Under-Lyme Borough Council was delivering quality services for its residents, and that particularly it had strengths in the following areas:
- Strong pride of place and Newcastle-under-Lyme has a distinct identity
  - Partnership working is particularly strong and the role it has in bringing others together to collaborate is highly valued
  - Clear leadership from the Cabinet and senior officers
  - Finances are healthy, and actively managed, which places it in a stable position
  - Officers are recognised as important assets for us and they are committed and keen to deliver for the communities
  - The Council has set out its ambitions for the place and our community and attracted enviable amounts of Government funding to deliver physical regeneration

### **3. Recommendation**

#### **3.1** It is recommended that Cabinet:

- Notes the contents and implications of the English Devolution White Paper.
- Pledges to stand up for the historic independence of the Borough.
- Continues to work through the Staffordshire Leaders Board to develop and deliver devolution as set out in the Board's submission to Government.
- Supports the petitioning of residents in relation to the preservation of the Borough.
- Calls for Newcastle-Under-Lyme's Members of Parliament to support the Borough's preservation and will engage with Government Ministers in stating the case for the Borough.
- The Leader & Chief Executive write to the Deputy Prime Minister and relevant Ministers stating the Council's position.

#### **4. Financial and Resource Implications**

- 4.1 The resource implications for reorganisation cannot be fully assessed without further information from Government, and no figures or investment case has been provided to date.
- 4.2 In relation to demonstrating effective working together with other authorities, the Borough Council has worked extensively with Staffordshire County Council and fellow district and borough councils in identifying working arrangements that provide good value for money where these partnerships make sense. These arrangements are locally agreed, dictated by need, not by blanket application. They are not limited by immediate proximity, and in some cases extend beyond local authority partnerships.
- 4.3 Locally-determined arrangements have included co-location of office premises with Staffordshire County Council and Staffordshire Police at Castle House, bringing financial and other benefits including a reduction in carbon emissions, a significant annual revenue saving through a reduction in running costs.
- 4.4 Joint working arrangements include those with the County Council – internal audit, communications and legal support, and with other Councils including out of hours response, CCTV and building control.
- 4.5 The Borough Council has had a strong collaboration with the County Council on regeneration and economic development, bringing in over £55M into the Borough of UK Government Levelling Up funding.
- 4.6 In return, the County Council has benefited from significant shares of UK Levelling Up High Street Fund and Town Deal funding (over £2m of funds distributed).
- 4.7 Through the Staffordshire Sustainability Board, best practice learning and a joint communications plan have brought tangible benefits to help authorities focus on net zero and sustainability whilst retaining control of their programmes and targets.

#### **5. Major Risks & Mitigation**

- 5.1 Much remains unknown of detail at this stage so mitigation measures cannot yet be fully considered. Potential risks at this stage include staff recruitment and retention, a reduction in service delivery under a larger local authority, a potential 'democratic deficit' as elected members may be reduced in number and further from residents and a need to focus on reorganisation rather than get on with the day job of service provision.
- 5.2 *Financial sustainability* – Over recent years, the Council has delivered a balanced budget based on efficiencies across its services and investment in the borough whilst seeking to maintain optimum delivery for residents. It is unknown at what stage in a reorganisation process would restrict spending or borrowing, or whether areas in a much worse financial position would be prioritised over Newcastle.
- 5.3 *Effectiveness of change* – There is a lack of proven success where local government reorganisation has taken place elsewhere in the country to date, and at this stage limited detail on the business case/benefits of the approach being described in the White Paper.

## 6. UN Sustainable Development Goals (UNSDG)



## 7. One Council

7.1 Please confirm that consideration has been given to the following programmes of work:

One Commercial Council

The reorganisation of local government would change the commercial asset holding of councils, for example leisure centres and museums, and decisions would be made on these at a unitary level. The exact nature of changes is unknown at this stage.

One Digital Council

It is probable that newer, larger councils would need to align digital systems, the cost for which is not known.

One Green Council

Newcastle Borough Council has declared a climate emergency and has developed its sustainability programme to meet a 2030 net zero target for its scopes 1 and 2 emissions. Other local authorities are at different stages of implementing net zero approaches.

## 8. Key Decision Information

8.1 This is a key decision as the White Paper may affect residents in all wards.

## 9. Earlier Cabinet/Committee Resolutions

9.1 Cabinet – 4<sup>th</sup> June 2024 – Staffordshire Leaders Board Joint Committee

## 10. List of Appendices

10.1 Appendix 1 – Staffordshire Leaders Board submission to UK Government.

## 11. Background Papers

11.1 [English Devolution White Paper](#), December 2024, HMSO.

## Appendix 1: Staffordshire Leaders Board Submission to UK Government