

DOWNTOWN IN BUSINESS BRIEFING NOTE

English Devolution and Community Empowerment Bill

10th July 2025

www.downtowninbusiness.com

I Executive Summary

The Government has introduced the landmark **English Devolution and Community Empowerment Bill** to Parliament, signalling a generational shift from central to local power. It enshrines stronger powers for mayors, unlocks community control over local assets, reforms council structures, and introduces business friendly commercial lease reforms.

I Purpose & Strategic Rationale

- Fulfils the manifesto promise of “a generational project of determined devolution” to level up regional prosperity .
- Rebalances national growth “from the bottom up” via the Plan for Change agenda.

I Key Provisions

1. Strategic Authorities

- Defines “strategic authorities” (combined authorities, London, county), with executive powers spanning transport, planning, housing, economic development, environment, public safety, health.
- Streamlines creation and expansion, with Secretary of State veto available on stalemate.

2. Mayoral Empowerment

- Enables mayors to lead convening of local partners, deliver Local Growth Plans, issue development orders, and wield greater licensing powers (e bike regimes, planning).
- Upgrades GLA’s toolkit without needing primary legislation.

3. Democratic Reform: Voting System

- Switches mayoral & PCC elections back to the Supplementary Vote (SV) system from First Past the Post, enhancing mandate legitimacy.

4. Community Assets & Local Voice

- Expands Community Right to Buy (“Sporting Asset” category for grassroots facilities).
- Requires neighbourhood governance frameworks for enhanced local participation.

5. Commercial Leases Reform

- Bans “upward only” rent review clauses in new commercial leases, promoting fair rent dynamics and supporting small businesses and high streets.

6. Local Government Reorganisation

- Promotes conversion from two tier to unitary councils for simpler, efficient governance; empowers ministers to intervene if necessary .

7. Local Audit Strengthening

- Sets up a Local Audit Office to improve council financial oversight.

Stakeholder Feedback

- **DIB & Business:** Endorses mayoral growth plans, seeks multi year funding, devolved skills budgets, and strategic planning powers.
- **Local Government Association:** Applauds statutory devolution and urges refinement, especially for London boroughs.
- **Mayors (York & North Yorkshire, West Midlands, West of England):** Welcome boosts in planning, housing, sports ground protection, and new rights for local infrastructure delivery.

Implications & Risks

Opportunities

- Efficient delivery: Mayoral power over growth planning and infrastructure streamlining may accelerate housing & transport projects.
- Reviving high streets: Lease reform and community buyouts may help regenerate high street activity.
- Democratic legitimacy: SV system for mayors ensures broader political mandate.

Risks

- Central intervention: Secretary of State authority to reorganise councils may face pushback from local autonomy advocates.
- Budget constraints: CBI highlights the need for guaranteed funding—without which mayoral powers may become symbolic.
- Uneven adoption: Areas without active devolution deals, especially London boroughs, may lag behind.

I Next Steps & Timeline

- Bill introduced on 10 July 2025; first reading complete.
- Commons to proceed to Second Reading, then Committee & Report stages.
- LGA and CBI will engage in amendment negotiations.
- SV electoral changes take effect in elections from 2027.
- Emerging Local Growth Plans due from mayoral authorities' post enactment.

I Bottom Line

This Bill marks **the most ambitious devolution framework in fifty years**, offering mayors statutory powers, strong community safeguards, and commercial reform. Its impact hinges on securing multiyear, flexible funding and ensuring local governments are ready to implement structural change. The shift could be transformative—but only if the devolved powers come with the resources and political will to execute them.

➔ Find out more

Downtown in Business will be hosting a series of events in the Autumn focussing on the Devolution paper – starting with the DIB annual Property, Regeneration, and Infrastructure conference in Manchester in September.

For details of the DIB events programme visit

downtowninbusiness.com/events

or contact

casey.scott@downtowninbusiness.com.

Downtown In Business

WWW.DOWNTOWNINBUSINESS.COM