

Brighton & Hove City Council

Cabinet

Agenda Item 52

Subject: Devolution for Sussex & Brighton

Date of meeting: Thursday, 16 October 2025

Report of: Leader of the Council

Lead Officer: Chief Executive

Contact Officer: Tom Cottam - Devolution Programme Director

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Ward(s) affected: (All Wards);

Key Decision: Yes

Reason(s) Key: Is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1. Purpose of the report and policy context

- 1.1 The Government has set out an ambitious plan to broaden and deepen devolution across England to help drive economic growth, improve living standards and strengthen public services. Brighton & Hove City Council (BHCC) firmly believes that devolution has the potential to deliver significant benefits to our City and the wider region by ensuring more decisions are made closer to local communities, unlocking funding and investment and supporting collaboration. BHCC has welcomed the Government's decision to move forward with plans for devolution in Sussex and Brighton and has been collaborating with partners across the region towards the creation of a new Mayoral County Combined Authority (MCCA).
- 1.2 Before a new MCCA for Sussex and Brighton can be formally created, the three Upper Tier authorities – West Sussex County Council (WSCC), East Sussex County Council (ESCC) and BHCC are required to provide their consent. The purpose of this report is to support this decision-making process. The report sets out the background to devolution in Sussex and Brighton, summarises the provisions of the draft Statutory Instrument (SI) that would create a new MCCA, and outlines the implications of devolution for BHCC. It asks Cabinet to confirm its approval in principle to consenting to devolution in the terms outlined and seeks authority to delegate to the Council's Chief Executive Officer the task of conferring Brighton & Hove City Council's formal consent.
- 1.3 Devolution is central to the delivery of BHCC's ambitions set out in the refreshed Council Plan and commits the Council to seek to maximise the opportunities offered by devolution. Devolution is particularly relevant to Outcome 1 - *A City to be proud of*, and Outcome 2 – *A fair and inclusive city*.

2. Recommendations

- 2.1 That Cabinet notes the content of this report including the effect of the Statutory Instrument and the assessment of the implications for Brighton & Hove City Council of creating a new Mayoral Combined County Authority for Sussex & Brighton.
- 2.2 That Cabinet confirms its approval in principle to consenting to devolution and delegates authority to the Chief Executive, in consultation with the Leader, to undertake all steps necessary to provide consent on behalf of the Council to the Statutory Instrument that the Government proposes to lay before Parliament to create a new Mayoral Combined County Authority in the Sussex and Brighton region.
- 2.3 That Cabinet approves the procurement of the mayoral booklet services outlined in 6.13 of the report and grants delegated authority to the Chief Executive, following consultation with the Director Governance and Law to:
 - i. Take all steps necessary or incidental to undertake the procurement process;
 - ii. Award the framework agreement and any respective call-off contracts and take all steps necessary or incidental to recover the costs incurred from the MCCA.

3. Context and background information

- 3.1 In December 2024, the Government published the English Devolution White Paper outlining its vision, priorities and plans for devolution in England. In February 2025, an application from BHCC, ESCC and WSCC to join the Devolution Priority Programme and to establish an MCCA for the Sussex and Brighton region was accepted by the Government.
- 3.2 Between 10th February and 17th April 2025, the Government carried out a consultation to seek views from stakeholders and residents from across the Sussex region on proposals to form an MCCA for Sussex and Brighton covering the areas of WSCC, ESCC and BHCC with the three upper tier authorities becoming 'constituent authorities' within a new MCCA. BHCC responded to this consultation outlining its support for devolution and the potential benefits for the region (Appendix 1). In July 2025, the Government published the outcome of the consultation and confirmed that the proposal to create an MCCA for Sussex and Brighton had met the statutory tests and that it would move forward with mayoral elections scheduled for May 2026.
- 3.3 In July 2025, the Government published the English Devolution and Community Empowerment Bill ('the Bill'), which sets out the legislation required to deliver the vision outlined in the White Paper. The Bill includes a new standardised 'Devolution Framework' that sets out the powers and functions that will be exercised by different levels of new 'Strategic Authorities'.

- 3.4 Prior to the passing of the Bill, the creation of a new MCCA will require secondary legislation in the form of an SI to be debated and approved by both Houses of Parliament. The Government has announced its intention to lay the necessary SI that would create a new MCCA for Sussex and Brighton in Parliament in Autumn 2025. Before the SI can be laid it is necessary for all constituent authorities to provide formal consent.
- 3.5 The Government has informed prospective constituent authorities that the time between seeking formal consent and laying the SI before Parliament will be limited and therefore officials have requested that Cabinets delegate authority to Chief Executives to provide consent.

The Benefits of Devolution

- 3.6 The vision outlined in the Government's White Paper and the provisions set out in the SI and the Bill (summarised in this report) represent a significant transfer of powers and resources from Central Government to regions and offers benefits across a range of policy areas. Some of the expected benefits of devolution are set out below.

Economic Growth

- 3.7 Brighton & Hove is a thriving city with a vibrant small business base. The research undertaken for the City's Economic Plan showed that the number of businesses in the City increased by 30% between 2013 and 2023, with the number of jobs increasing by 19.5%. The City is a regional economic hub that supports thousands of residents in surrounding areas and is well-positioned for future growth and investment. However, regional collaboration is vital to address shared structural challenges that limit the region's potential, such as access to affordable housing or poor transport connectivity, and help address the persistent inequalities experienced by many communities.
- 3.8 Supported by a new 30-year £1.14 billion Investment Fund, devolution offers a significant opportunity to drive economic growth that draws on the region's strengths and is responsive to the needs of its diverse communities. A new Local Growth Plan for Sussex and Brighton, drawing on the work of the many active collaborations across the region, including the Brighton and Hove Growth Board and the Greater Brighton Economic Board, can create a long-term focus for regional priorities and establish a distinctive economic vision that can help attract new investment.

Transport

- 3.9 Devolution offers new opportunities and powers to take a more strategic regional approach to transport, such as improving both east-west and north-south connectivity, that could deliver improvements in how residents across the region live and work. Existing combined authorities, such as Greater Manchester and West Midlands, have demonstrated the benefits that can be achieved by working at a regional level to develop integrated transport services that improve access to jobs, education, and services.

- 3.10 Alongside driving improvements in transport infrastructure, the Government has made it clear that a new MCCA will play an important role in decarbonising the transport network and reducing its environmental and health impacts. An updated Transport Plan for Brighton and Hove will be published early next year and will set out ambitions for transport in the City. This up-to-date plan will provide a clear focus for engagement with partners on the development of a vision for improving transport across the entire region.

Adult Skills

- 3.11 The Get Sussex Working Plan that will be published imminently, outlines a vision of a dynamic Sussex workforce that empowers residents to develop the skills they need to access meaningful employment that improves lives, addresses inequalities, and enables businesses to thrive.
- 3.12 Devolution will allow regional control over adult skills funding that will be vital to deliver this vision by enabling the design of training and support that reflects the specific needs of employers and the aspirations of residents across Sussex. West Yorkshire Combined Authority are already delivering benefits for residents and employers by having direct control of devolved skills funding and working collaboratively with partners to deliver provision tailored to local need. By working at a regional level to develop the Get Sussex Working Plan and the Local Skills Improvement Plan we have established strong foundations across Sussex for collaboration and are well positioned to benefit from devolution.

Housing

- 3.13 Like many areas across the UK, Brighton and Hove is facing significant challenges with housing supply and affordability, with 7,500 households currently on the Housing Register, including 1,800 people currently living in temporary or emergency accommodation. BHCC is taking steps to increase the availability of affordable housing, but high land values in the city have led challenges with funding not being sufficient or flexible enough to unlock affordable homes in developments and Registered Providers being sometimes unwilling to take on secured affordable homes.
- 3.14 With access to new powers and greater control and flexibility over funding, a new MCCA could work in partnership with local authorities, Homes England, and communities to coordinate housing development and regeneration in line with regional need and investment in transport, skills, and infrastructure. This can help to increase housing supply, unlock growth and accelerate regeneration.

The Statutory Instrument

- 3.15 The SI will be called *The Sussex & Brighton Combined County Authority Regulations 2026*. 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. To support Cabinet decision-making, a summary of the SI has been prepared and is included as Appendix 2.

3.16 Cabinet should note that the scope of this SI is comparatively limited compared to similar regulations that have provided the legal force to create new combined authorities in the past. This is because the full range of powers and responsibilities that will be exercised by a newly created MCCA are set out in the Bill and will be conferred on all combined authorities (depending on the level of devolution outlined in the Bill (see section 3.9 below)) once it is approved by Parliament. The Bill is currently at Committee Stage in the House of Commons. It is the Government's intention that the Bill will pass into law and take effect before the mayoral elections in May 2026. An overview of the key provisions of the SI are summarised below:

- **Establishment of Combined County Authority (CCA)** - Establishes the CCA for the local government areas of BHCC, ESCC and WSCC and names it as the Sussex and Brighton Combined County Authority. The CCA will have the functions set out in SI although further functions may be conferred in the future through further regulations.
- **Commencement date** – all Regulations will come into force the day after they are made, except Mayoral Functions which come into force on 11 May 2026 (post the Mayoral election on 7th May).
- **Election of Mayor** - Sets out how Mayors will be elected every fourth year as well as how terms will begin and end. Sets out that the Mayor will be able to employ a single political advisor, who will be an employee of the CCA. The position will be a politically restricted post that is tied to the mayor who appoints them.
- **Transport** – sets out the functions that 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 an LTP. These functions will only be exercisable by the Mayor. There will be a transition period ending 31st March 2027 during which the powers will be held concurrently by the CCA and constituent authorities
- **Power to pay grant** – A CCA may pay a grant to (a) constituent authority/ies towards expenditure incurred or to be incurred by a constituent council. This power is exercisable only by the Mayor. In determining the amount to be paid to a constituent council in relation to that council's highway functions, the CCA must have regard to the desirability of ensuring that the relevant constituent council has sufficient funds to exercise its highways function and decisions must take into account other sources of funding.
- **Funding** - constituent authorities must ensure the reasonable costs of the CCA and Mayor are met (to the extent the Mayor has decided not to use other funds). The constituent authorities must meet the costs of expenditure associated with the exercise of mayoral functions. However, the mayor must agree with the CCA the total expenditure in advance of incurring the expenditure. The costs to constituent authorities must be apportioned either through a mechanism of their own agreement or, if no

agreement is in place, based on the number of their residents as a proportion of the total population of the CCA area. The CCA can raise its own funds through a precept.

- **Constitution** - the constitution of the CCA will be included as a Schedule of the SI and includes the following provisions:
 - **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** – the Mayor will act as Chair once elected. Ahead of the Mayor being elected, the CCA will appoint a Chair and Vice Chair. The Chair appointed by the CCA will cease to be Chair following the election of the Mayor and the Office of Vice Chair will be abolished.
 - **Non-constituent & associate members** – The CCA may if it wishes appoint up to a maximum of six non-constituent and associate members in total, and each of these must nominate a substitute. Associate members (appointed at the discretion of the CCA) may not vote; non-constituent members (representatives of a designated 'nominating body') do not have voting rights unless the CCA resolves to give them voting rights.
 - **Voting** – Ahead of the Mayor being elected the normal rule is that any decision of the CCA is by a simple majority (but must include the Chair (or Vice Chair) and three constituent members. Once the Mayor is elected, such a majority must include the Mayor (or the Deputy Mayor acting in place of the Mayor) and with a minimum of four constituent members being present. 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
 - **Quorum** – before the first Mayor's term, quoracy will require the Chair or Vice Chair to be present as well as three of the members appointed by the constituent authorities. After the Mayor is elected, quoracy requires the Mayor and/or Deputy Mayor acting as Chair and a minimum of any four constituent authority members be present.
 - **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.

- 3.17 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.

The English Devolution and Community Empowerment Bill

- 3.18 The English Devolution and Community Empowerment Bill will create in law a new category of authority in England, the 'Strategic Authority.' The government aims to introduce a Strategic Authority for each area in England. Under provision in the Bill, each Strategic Authority will belong to 1 of these levels of devolution:

- **Foundation** – available to those authorities without an elected Mayor, with more limited devolution.
- **Mayoral** – available to areas with an elected Mayor, with greater devolution. The proposals outlined here would result in the creation of a Mayoral Strategic Authority for Sussex and Brighton.
- **Established Mayoral** – available to Mayoral Strategic Authorities who are able to satisfy additional governance requirements. Established Mayoral Strategic Authorities will have access to the broadest range of devolved powers and functions.

- 3.19 A Strategic Authority can progress through the levels of devolution, but each level is exclusive, meaning a Strategic Authority cannot be in more than one level at any one time.

- 3.20 The Bill includes provision that will enable Strategic Authorities to expand their powers over time in the following ways:

- Power to expand the Devolution Framework over time using secondary legislation – giving more powers to devolved areas.
- Create the ability for specific Strategic Authorities to pilot devolved powers before the government decides whether to add them to the Devolution Framework and make them available to all Strategic Authorities.
- Empower Established Mayoral Strategic Authorities with a 'right to request' which allows them to propose further powers, funding and partnerships to expand the Devolution Framework. The government will be required to officially respond to these requests.

- 3.21 The Bill introduces a 'Devolution Framework' with a standardised set of legal powers, funding commitments, and partnership/collaboration arrangements with government across seven competency areas. The competency areas for Strategic Authorities 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
- 3.22 The framework sets out what Strategic Authorities are entitled to at each level of devolution across the competency areas including where powers are exercisable by the Mayor alone and where powers will be held concurrently with constituent authorities. Appendix 3 sets out the powers and duties of Mayoral Strategic Authorities outlined in the Devolution Framework and a summary is provided below.
- 3.23 **Transport and Local Infrastructure** – The provisions in the Bill that relate to transport are significant and would result in the transfer of Local Transport Authority (LTA) functions and powers that are currently held by local authorities.
- **Local Transport Authority Functions** - Strategic Authorities will automatically become the Local Transport Authority (LTA) for their area, with responsibility for preparing and publishing LTPs. These functions will transfer from constituent authorities but will be held concurrently with for a transitional period. As the LTA, Strategic Authorities will have powers and duties to secure the provision of passenger transport services, to prepare a bus strategy, enter partnerships with bus operators, enter franchising schemes, and manage travel concessions. Functions relating to LTPs and franchising schemes are exercisable only by the Mayor. However, final approval of a Local Transport Plan is subject to a simple majority vote of constituent members where the Mayor must be in the majority. If the vote is tied, the Mayor has an additional casting vote.
 - **Transport Levy** - Power for Strategic Authorities to issue levies to their constituent authorities to meet the cost of exercising their transport functions, where otherwise not met.
 - **Agreements between authorities and strategic highways companies** - This allows Strategic Authorities to enter into agreements with local highway authorities (upper-tier local authorities) and/or National Highways to delegate or share the maintenance and improvement of roads. These functions will be held concurrently between constituent authorities and Strategic Authorities.
 - **Civil enforcement of road traffic contraventions** - Powers to enable Strategic Authorities to enforce parking, bus lane, and moving traffic contraventions through penalty charge notices. This is only possible if the relevant constituent council already has those functions and consents to the Strategic Authorities using them. These functions will be held concurrently between constituent authorities and Strategic Authorities.

- **Key Route Network** - Mayoral Strategic Authorities will have a duty to set up and coordinate a Key Route Network. Mayors will also hold a Power of Direction over constituent highway authority exercise of their traffic, permit, street and local highways authority powers on Key Route Network roads. This function is exercisable only by the Mayor.
- **Transfer of duty of principal councils to make reports on Key Route Network roads** - Mayoral Strategic Authorities will be required to prepare reports assessing local road traffic levels and forecasting their growth on their Key Route Network. These reports may include targets and proposals for achieving these targets. Mayoral Strategic Authorities will take over this duty for key route network roads. constituent authorities will retain this duty for other local roads.
- **Road User Charging** - These powers enable a Strategic Authority to make a joint road user charging scheme (e.g. congestion charging) with relevant constituent councils. This function can only be exercised jointly with the relevant constituent local traffic authority (the upper-tier local authority) where the scheme would take place. Constituent authorities continue to be able to exercise this power independently.
- **On-Street Micromobility Schemes** - These powers enable Strategic Authorities, in their role as the Local Transport Authority, to license micromobility schemes operating on public roads and pavements.

3.24 **Skills and employment support** - The Bill will transfer adult education functions from central government to Strategic Authorities. This will enable the Department for Education to give Strategic Authorities a grant for adult skills. Strategic Authorities can use this as they see fit to meet the skills needs of adults in their region. Subject to a transitional period, the Bill will automatically transfer functions relating to adult education to any new Strategic Authorities.

3.25 **Housing and strategic planning**

- **Spatial Development Strategies** - Strategic Authorities will have a duty to produce a Spatial Development Strategy. These documents enable them to strategically plan for development across their whole area. This function is exercisable by the Mayor. However, approval of the strategy requires a simple majority vote of the Mayor and constituent members. This provision will be introduced through clause 52 of the Planning and Infrastructure Bill that has reached Report Stage in the House of Lords.
- **Housing and Land Powers** - Powers to allow Mayoral Strategic Authorities to acquire housing and land for specific purposes. This includes powers to acquire land using the compulsory purchase powers previously solely held by Homes England. They also include the ability to provide financial assistance to any person. These functions are exercised concurrently with Homes England. Mayors

exercise the compulsory purchase function on behalf of the Strategic Authority. Before exercising their compulsory purchase powers, Mayors must consult the local planning authority where the power is to be exercised.

- **Mayoral Development Corporations** - These powers enable Mayors of Strategic Authorities to designate a Mayoral Development Area and subsequently establish a Mayoral Development Corporation (MDC) for that area. These powers are exercisable by the Mayor. This means that the Mayor is responsible for establishing and overseeing a Mayoral Development Corporation. However, the designation of a Mayoral Development Area will be subject to a simple majority of voting members.
- **Strategic Development Management Powers** - These powers enable Mayors to intervene in planning applications of potential strategic importance and the ability to call in these applications.
- **Mayoral Development Orders** - These powers give Mayors the ability to prepare Mayoral Development Orders (MDOs). MDOs allow them to grant pre-emptive planning permission for a particular development instead of relying on an application to be submitted. These functions are exercisable only by the Mayor on behalf of the Strategic Authority. However, Mayors must consult and gain approval of the local planning authority where the order would have effect. Where the local planning authority does not approve the order, the Mayor can request the Secretary of State approve the order instead.
- **Mayoral Community Infrastructure Levy** - These powers enable Mayors to charge developers a Mayoral Community Infrastructure Levy. This is a charge which can be imposed on new development in their area. It can be used to raise funds to deliver infrastructure needed to support development in their area.

3.26 **Economic growth and regeneration** – The Bill places a range of powers and duties on Strategic Authorities to support economic growth and regeneration. Central is the duty to produce a Local Growth Plan that will provide a long-term strategic framework for driving economic growth and investment priorities in a region.

- **Power to borrow up to an agreed cap** - This power will automatically confer on Strategic Authorities the power to borrow upon establishment for purposes relevant to their functions. However, a Strategic Authority must obtain consent from the Secretary of State before the first exercise of the power to borrow money for a purpose relevant to a function other than its transport, police or fire and rescue functions. This function is exercised concurrently with constituent authorities.
- **Local Growth Plans** - Mayoral Strategic Authorities will have a duty to produce a Local Growth Plan.

- **Duty to prepare an assessment of economic conditions -** Strategic Authorities must prepare and maintain an assessment of the economic conditions of their area. This is a separate duty from the duty to produce a Local Growth Plan but both duties could be satisfied simultaneously. This function is exercised concurrently with constituent authorities.
- **Powers to encourage visitors and provide entertainment. -** These powers enable Strategic Authorities to encourage people to visit their area and provide, support, and/or contribute to the provision of entertainments, such as concerts, plays, or exhibitions, and incur expenditure for these purposes. This includes powers to provide premises, facilities, or publicity for cultural and recreational events. This function is exercised concurrently with constituent authorities.

3.27 **Environment and climate change –** The functions set out in the Devolution Framework related to environment and climate change are limited to a Heat Network Zoning coordination role. This means that Strategic Authorities will be well placed to take forward heat network zones and create zone coordinators.

3.28 **Health, wellbeing and public service reform –** The Bill introduced ‘health in all policies’ duty to ensure that when a mayor or Strategic Authority is considering whether or how to use any of its powers and functions they will have a duty to have regard to the need to improve the health of people in the Strategic Authority area and the need to reduce health inequalities in the local area.

3.29 **Public safety –** The Bill provides for the transfer of Policing and Crime Commission and Fire and Rescue Authority functions as well as duties to share information relating to crime and disorder:

- **Sharing of information in relation to crime and disorder -** These powers both enable and place a duty on Strategic Authorities to disclose information relating to the reduction of crime and disorder, including anti-social behaviour, to other relevant authorities (such as local authorities, social landlords and the police). This function is exercised concurrently with constituent authorities.
- **Police and Crime Commissioner Functions -** Mayors will be, by default, accountable for the exercise of Police and Crime Commissioner (PCC) functions where mayoral boundaries align with police force boundaries, or with two police force boundaries when taken together. Transfers will be subject to secondary legislation. These functions will be exercisable by the mayors, but mayors will have to delegate PCC responsibilities to a Deputy Mayor (for Policing, Fire and Crime for each police force area for which they have PCC functions). Government has confirmed that PCC functions will not transfer until April 2027.

- **Fire and Rescue Authority Functions** - Mayors will be, by default, accountable for the exercise of Fire and Rescue Authority (FRA) functions where FRA and mayoral boundaries align, subject to secondary legislation. These functions will be exercisable by the mayors, but mayors will have the option to delegate FRA responsibilities to a Deputy Mayor for Policing, Fire and Crime, or a Public Safety Commissioner. Government has confirmed that FRA functions will not transfer until April 2027.

3.30 **Mayoral Powers of Competence** - The Bill will also give mayors of Strategic Authorities new powers known as ‘the Mayoral Powers of Competence.’ These powers will strengthen the role of a mayor, by giving them the means to drive growth, collaboration and improvements within their areas. The Mayoral Powers of Competence are made up of:

- the General Power of Competence – a broad general power enabling Mayoral Strategic Authorities, and their mayors, to do anything an individual can legally do
- a power to convene – enabling mayors to convene local partners to address local challenges
- a duty to respond – placing a duty on local partners to respond to a mayor’s request when they make use of the power to convene
- a duty to collaborate – ensuring that mayors have a formal process by which they can collaborate with neighbouring mayors to deliver projects and strategies together

3.31 **Other powers** - The Bill also permits the Secretary of State to add areas to a combined authority without needing approval of the local authorities affected.

Local Implementation

3.32 Preliminary work to prepare for the creation of a new MCCA is ongoing and will accelerate if and when formal consent is provided by all constituent councils. To enable collaboration and partnership working, an informal Partnership Board has been established to bring together senior partners from across the region to support establishment of a new MCCA. The first meeting of the Partnership Board is scheduled for 10th October 2025. Subject to guidance from the Partnership Board, there are plans to convene a wider Stakeholder Forum to strengthen and deepen partnership working.

3.33 A delivery partner with experience of supporting the development and set-up of new combined authorities has been appointed and will work with Leaders and officers from across the constituent councils to undertake the necessary work to legally and practically establish a new MCCA for Sussex and Brighton. Early requirements include agreeing a Constitution and the development of a Local Assurance Framework (LAF). The LAF must demonstrate that robust assurance, project appraisal and value for money processes are in place and requires government sign-off before the first Investment Fund instalment can be released.

4. Analysis and consideration of alternative options

- 4.1 The Government has been clear about its ambition to 'complete the map' for devolution in England. The Bill includes a power for a ministerial directive to enable devolution directly and create Strategic Authorities in any places where local leaders in that region have not been able to agree how to access devolved powers. Having submitted a successful expression of interest to join the Devolution Priority Programme and been given the go-ahead by the Government to progress devolution in Sussex and Brighton, the Council has been working with partners towards the creation of an MCCA.
- 4.2 The alternative to the recommendations outlined above is to refuse consent to move forward with devolution in Sussex and Brighton, which would have a number of negative impacts. This would include preventing or delaying the predicted benefits of devolution and the flow of new funding and powers from government to Sussex and Brighton, including £38m of new investment provided by the 30-year Investment Fund.

5. Community engagement and consultation

- 5.1 National government undertook an 8-week public consultation from 17 February to 13 April 2025 to engage and seek responses from a range of interested parties across the region. Government-led engagement included issuing a press notice at the start and towards the end of the consultation for local and regional media, a social media advertising campaign, distribution of flyers, posters, and hard copy consultation documents. Officials from the Ministry of Housing, Communities and Local Government ran an in-person event on 31 March in Brighton and attended a range of stakeholder meetings.
- 5.2 BHCC promoted the Government consultation to our residents through local media, on social media, on the council website, and through partners. Information was also shared offline at public meetings, through support of an in-person engagement event, as well as making the consultation material available in Council buildings such as libraries and town halls.
- 5.3 Overall, the Government-led consultation in Sussex and Brighton resulted in 6,122 responses from individuals and organisations including; 5,959 from members of the public and 163 from a range of organisations including the prospective constituent and other local councils, businesses, the voluntary and community sectors, and academic institutions. A full summary of the consultation responses was published by the Government (Appendix 4)

6. Financial implications

- 6.1 It is anticipated that the financial implications of devolution and the creation of a new MCCA will be significant. A new 30-year investment fund will be made available to new MCCAs to spend on agreed regional priorities. The transfer of functions from government and constituent authorities to new MCCAs will in some instances be accompanied by the transfer of funding

streams. A new mayor will have powers to issue council tax precepts, pay grants to constituent authorities to deliver its functions and issue a transport levy. There will also be costs associated with the administration of a new MCCA and the delivery of mayoral elections.

- 6.2 Work to assess the full financial impacts of these changes is ongoing and will continue as more information is received from government relating to future funding allocations. Most significantly this will relate to transport functions, housing and development and adult skills. The financial and staffing impact will also necessarily be shaped by the decisions and priorities of a new MCCA once established. Without more information on funding allocations and in advance of the establishment of the MCCA, it is only possible to provide an overview of the potential financial impact, which is outlined below.
- 6.3 **The creation of a 30-year investment fund** – The government has confirmed that £38 million a year over 30 years will be made available to a new MCCA to be spent in line with agreed regional priorities. This is expected to be new resources. The fund will be paid from 2026/27 onwards and will be split 50/50 between capital and revenue spend.
- 6.4 **Transport** – As a new MCCA takes on Local Transport Authority functions, it is anticipated that relevant funding currently provided by government will transfer once a new MCCA is created. This could include the transfer of funding that has previously been provided via the Bus Services Improvement Plans (BSIP), the Integrated Transport Block and for local highway maintenance. In 2025/26 the combined funding allocated to BHCC under these three schemes was £17.645 million.
- 6.5 In addition, new MCCAs will also have the power to **issue levies** to their constituent authorities to meet the cost of exercising their transport functions. Mayors will also have the **power to make grant** to constituent authorities to carry out functions on behalf of the MCCA, which is commonly used by existing mayors to pass funding for maintaining local roads to constituent authorities.
- 6.6 Responsibility for managing **travel concessions** will transfer from constituent authorities to the MCCA. Currently, there is no specific funding to BHCC for travel concessions (concessionary fares and supported bus routes); funding for these services was originally transferred to general resources through Revenue Support Grant and the retained share of business rates. However, these resources have reduced drastically over time. In reality, the very high take up of concessionary travel in Brighton and Hove has been funded from the income generated from on-street parking. In 2025/26 the cost of providing concessionary travel in Brighton and Hove is estimated to be £10.800 million and the net (of BSIP) cost of supported bus routes is £0.380 million. In the future, concessionary travel could be funded by a new MCCA through a transport levy on constituent authorities.
- 6.7 **Adult skills** – Under plans for adult skills, functions and budgets will transfer from government to a new MCCA. Implementation of adult skills devolution

commences in time for the 2027/28 academic year. Currently, this funding is paid directly to local authorities and other providers to commission and/or deliver education and training. In 2025/26 BHCC received circa £0.535 million from the Adult Skills Fund and £3.500 million for Skills Bootcamps. In the future the strategic oversight and distribution of this funding will be transferred to a new MCCA subject to the passing of the Bill.

- 6.8 **Housing and Regeneration** – Historically, BHCC had bid for funding to support housing projects such as through the Affordable Housing Programme, Brownfield release schemes and warmer homes and decarbonisation funding streams. At this stage it is not clear if these bids would need to go through the MCCA and if this funding will be devolved to the MCCA at a future date.

- 6.9 **The power to issue a precept** – The Mayor will have the power to issue a precept to generate revenue across all mayoral and MCCA functions.

- 6.10 **Funding MCCA** - The SI includes a provision that the constituent authorities must meet the costs of expenditure associated with the exercise of mayoral functions although it is assumed these costs will be met from other resources available to the MCCA. The mayor must agree with the MCCA any expenditure in advance and so there is the potential for costs to fall on the BHCC albeit with advance agreement. The default cost sharing mechanism is apportionment by population of the constituent authorities unless another mechanism is agreed.

- 6.11 **The cost of the establishing a new MCCA** – The government has confirmed that a capacity fund to contribute to the cost of setting up a new MCCA will be provided for four years from 2025/2026 with £1 million having been committed for the first year of funding (which will be released when the SI is laid). An additional minimum of £3 million has been allocated for the three subsequent years, with funding for each year to be confirmed subject to government business planning.

- 6.12 **The cost of running the Mayoral election** - The election of the Mayor will be administered by the Returning Officers at district level with the respective authorities incurring cost which must then be reimbursed by the MCCA. Draft Maximum Recoverable Amounts based on the Police and Crime Commissioner Elections (Local Returning Officers' and Police Area Returning Officers' Charges) Order 2024 estimate that delivery of the election will cost £4.337 million across the region if no other polls take place on the same day. The cost to be reimbursed to BHCC, for costs incurred locally, is estimated to be £0.572 million. The BHCC Returning Officer will also act as the Combined County Authority Returning Officer (CCARO).

- 6.13 **Cost of Mayoral Booklet** - At the election, the CCARO is also required to post a mayoral booklet containing manifestos to each elector in Sussex. It is estimated this will cost a further £1.1 million and must be recovered from the MCCA. To deliver the mayoral booklets requirement, the CCARO seeks Cabinet approval to procure print and postage services. The CCARO has identified the Crown Commercial Service framework as a compliant

procurement route that has been used by several other CCAROs. The majority of the cost will be postage. Due to the requirement to send booklets to postal voters first class, the final number of postal voters not being available until April and rising postage costs, there is potential for costs to rise above the estimated £1.1million figure. Agreement is therefore sought for a total contract cost of up to £1.3million to prevent further Cabinet decisions being required for a statutory spend. The CCARO will seek to deliver best value and will work closely with suppliers from the framework to reduce costs to a minimum, while taking all available steps to recover the total costs from the MCCA.

Name of finance officer consulted: James Hengeveld

Date consulted :10/09/2025

7. Legal implications

- 7.1 The current statutory provisions for the establishment of a MCCA are set-out in section 46 of the Levelling Up and Regeneration Act 2023. These include the requirement for each of the constituent authorities to consent to its establishment before the Secretary of State can make the necessary regulations, together with the need for consultation and for the Secretary of State to be satisfied of the relevant tests. The consultation was carried out as indicated in this report from February to April 2025, and the MHCLG confirmed its view that the relevant tests had been met in July 2025.
- 7.2 The report sets out a summary of the proposed Statutory Instrument which will need to be approved by parliament before the MCCA can be established. It is anticipated that the functions that will be delegated to the MCCA will be those identified in the English Devolution and Community Empowerment Bill, once that is enacted.
- 7.3 The decision to consent to the establishment of the MCCA is an executive function and as a key decision ordinarily needs to be exercised by the Cabinet. The recommendations to this report reflect the MHCLG's preference for this decision to be delegated to the council's Chief Executive, to ensure that it can be made in a timely way once all the details have been clarified. This delegation is enabled by section 9E of the Local Government Act 2000.

Name of lawyer consulted: Allan Wells

Date consulted: 25/09/2025

8. Risk implications

- 8.1 A key risk is that one or more of the constituent authorities do not provide their consent to the creation of a new MCCA. This could delay or ultimately prevent the creation of a new MCCA in the Sussex and Brighton region and the devolution of relevant powers and funding.
- 8.2 There are risks associated with the anticipated transfer of functions and/or the diversion of funding from BHCC to a new MCCA. This could include

disruption to affected BHCC services during transition or uncertainty regarding the future of current provision due to changes in priorities and funding allocations. Work to identify these risks and the appropriate mitigations will continue as the specific impacts of devolution on service delivery and provision become clearer.

9. Equalities implications

9.1 Brighton & Hove City Council is subject to the Public Sector Equality Duty under the Equality Act 2010 and must seek to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

It must have “due regard” to these needs in its day-to-day work: considering the impact of its policies, decisions, and services on people with protected characteristics.

9.2 The aim of devolution is to place more funding and decisions for transport, adult skills, housing, jobs and economic growth at a local level, which has the potential to provide significant benefits to our communities. Provisions in the Bill will also include a new statutory health improvement and health inequalities duty placed on Strategic Authorities when discharging any of their powers or functions. See section 11 below.

9.3 It is not anticipated that the recommendations in this report will result in disproportionate impacts for any specific group sharing any of the legally protected characteristics.

9.4 As a public body receiving public funds a new MCCA will also be subject to the Public Sector Equality Duty under the Equality Act 2010. It is important that robust equalities governance and scrutiny are put in place to ensure equity in decision-making processes across the Sussex and Brighton regional population.

9.5 Equality impact assessments will need to be conducted as powers and funding are transferred to the MCCA, including considerations outlined in Sections 6 and 11.

Name of equalities officer consulted: Deborah Totney
Date consulted: 03/10/2025

10. Sustainability implications

10.1 The government has stated that they are keen for new MCCAs to play a leadership role in the delivery of the green transition and has committed to working closely with MCCAs on this agenda, though statutory functions

given to a new MCCA would be limited. The Bill creates “environment and climate change” as one of seven areas of competence for new Strategic Authorities and includes statutory functions relating to Heat Network Zoning coordination. The Government has stated its ambition that Strategic Authorities would take on responsibility for the development and delivery of local energy planning, green jobs and skills coordination, the Warm Homes Plan and Local Power Plan and Local Nature Recovery Strategies.

11. Health and Wellbeing Implications:

- 11.1 The Government has stated that Strategic Authorities will play a key role in taking action on the social determinants of health through the exercise of their functions, in areas such as transport, housing, and planning. The Bill includes a new statutory health improvement and health inequalities duty placed on Strategic Authorities when discharging any of their powers or functions, which requires them to have regard to the need to improve the health of people in their area and the need to reduce health inequalities. To support collaboration between Strategic Authorities and Integrated Care Systems, there is an expectation that mayors or a delegate will be appointed to one or more relevant Integrated Care Partnerships in their local area.

Other Implications

13. Crime & disorder implications:

- 13.1 The Bill sets out that mayors will, by default, be accountable for the exercise of Police and Crime Commissioner (PCC) functions where mayoral boundaries align with police force boundaries, or with two police force boundaries when taken together. Transfers will be subject to secondary legislation and are scheduled to take place in May 2027. The Bill also includes provisions for sharing of information in relation to crime and disorder, which will enable and place a duty on Strategic Authorities to disclose information relating to the reduction of crime and disorder, including anti-social behaviour, to other relevant authorities (such as local authorities, social landlords and the police).

14. Staff implications

- 14.1 Where staffing changes are needed, we are committed to an open and inclusive approach to working through impacts. This will include engagement with affected services, trade unions, and staff, the establishment of a clear plan to oversee workforce implications, and the development of specific proposals, which will be prepared in line with BHCC’s normal processes for managing change.

15. Conclusion

- 15.1 Devolution presents significant benefits for Brighton and Hove and the wider Sussex region. The government has confirmed that a £38 million a year 30-year Investment Fund (£1.14 billion in total) will be made available to a new MCCA to spend on agreed regional priorities. This funding can be used to drive economic growth, support jobs and strengthen local services. The SI

allows for the establishment of a new MCCA with limited powers relating to transport. In addition, the Bill will enable the devolution of new powers in areas such as transport, housing and adult skills to the regional level so decisions can be made closer to where people live.

- 15.2 While powers currently held by BHCC will transfer to a new MCCA, most significantly those related to transport planning and delivery, collaborating at a regional and strategic level on critical issues like infrastructure and skills has the potential to deliver significant benefits. Even in those areas where statutory duties are more limited, such as environment and climate change, a new MCCA has the potential to play a transformative role in embedding and supporting cross Sussex collaboration.

Supporting Documentation

Appendices

1. Brighton and Hove City Council devolution consultation response
2. Summary of the Sussex & Brighton Combined County Authority Regulations 2026
3. Summary of Devolution Framework
4. [Sussex and Brighton devolution consultation response - GOV.UK](#)

