



# Secretary of State's Annual Report on Devolution 2022-23

**Presented to Parliament pursuant to Section 1 of the Cities and  
Local Government Devolution Act 2016**



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## 1. Introduction

- 1.1 This Annual Report on Devolution has been laid before both Houses of Parliament by the Secretary of State for Levelling Up, Housing and Communities pursuant to Section 1 (Devolution: annual report) of the Cities and Local Government Devolution Act 2016 ('the 2016 Act').
- 1.2 This Annual Report brings together updated information about devolution agreements reached or implemented between Government and areas between 1 April 2022 and 31 March 2023.
- 1.3 These devolution agreements, in response to proposals from areas, are agreements in which the Government undertakes to devolve powers and budgets to an area in return for changes in local governance and local political accountability.
- 1.4 Devolution within England aims to provide local areas with the levers they need to boost productivity in local economies and to improve and integrate public services.
- 1.5 These devolution arrangements form part of the Government's plans to level up across the country, and we continue to engage with local areas looking to agree new devolution deals in the year ahead. The Government's commitment to devolution is demonstrated by its inclusion as one of the 12 Levelling Up Missions.

*By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.*

## 2. Areas with agreements

***Legislative requirement: Section 1 (2)(a) of the 2016 Act requires the Report to provide information on the areas of the country where agreements have been reached.***

- 2.1 Between 1 April 2022 and 31 March 2023, the Government negotiated and announced six new mayoral devolution deals, as set out below. With the exception of the Cornwall deal, that is now being renegotiated at a lower level of devolution, the deals agreed in 2022/23 represent 10.3% of the population of England. This means that, once implemented, over 50% of the population of England will be covered by a directly elected Mayor or equivalent leader agreed up to and including this period.
- 2.2 In August 2022, the Government announced the York & North Yorkshire devolution deal<sup>1</sup> creating a new Mayoral Combined Authority comprising the City of York Council and North Yorkshire Council.
- 2.3 In August 2022, the Government announced the East Midlands devolution deal,<sup>2</sup> which will form the first Mayoral Combined County Authority (MCCA). It will comprise Derby City Council, Nottingham City Council, Derbyshire County Council, and Nottinghamshire County Council.
- 2.4 In December 2022, the Government announced the Cornwall devolution deal (Kevambos Digresennans Kernow),<sup>3</sup> which would transfer new powers and funding to Cornwall Council. In April 2023, Cornwall Council Cabinet members confirmed that the Council would not proceed with the proposed Level 3 devolution deal but wished instead to pursue a deal at Level 2.
- 2.5 In December 2022, the Government announced the Norfolk devolution deal<sup>4</sup> which will transfer new funding and powers to Norfolk County Council and create an ‘elected leader’ of the newly formed authority.
- 2.6 In December 2022, the Government announced the Suffolk devolution deal<sup>5</sup> which will transfer new funding and powers to Suffolk County Council and create an ‘elected leader’ of the newly formed authority.
- 2.7 In December 2022, the Government announced the North East devolution deal.<sup>6</sup> This deal created the North East Mayoral Combined Authority (MCA), replacing and expanding the existing North of Tyne MCA. It will comprise Durham County Council, Gateshead Council, Newcastle City Council, North Tyneside Council, Northumberland County Council, South Tyneside Council and Sunderland City Council.
- 2.8 In March 2023, the Government announced “trailblazer” deeper devolution deals with the Greater Manchester Combined Authority<sup>7</sup> and the West Midlands Combined Authority<sup>8</sup>. These deals transferred more control and influence over essential and interdependent levers to drive economic growth, including local transport systems, skills, housing, and regeneration. This deal also included a commitment to new, department-style single settlements from the next spending review period.

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<sup>1</sup> [York and North Yorkshire devolution deal](#) – August 2022

<sup>2</sup> [East Midlands devolution deal](#) – August 2022

<sup>3</sup> [Cornwall devolution deal \(Kevambos Digresennans Kernow\)](#) – December 2022

<sup>4</sup> [Norfolk devolution deal](#) – December 2022

<sup>5</sup> [Suffolk devolution deal](#) – December 2022

<sup>6</sup> [North East devolution deal](#) – December 2022

<sup>7</sup> [Greater Manchester Combined Authority: “Trailblazer” deeper devolution deal](#) – March 2023

<sup>8</sup> [West Midlands Combined Authority: “Trailblazer” deeper devolution deal](#) – March 2023

### 3. Areas that have submitted proposals

***Legislative requirement: Section 1 (2)(b) of the 2016 Act requires the Report to provide information on the areas of the country where proposals have been received by the Secretary of State and negotiations have taken place but agreement has not yet been reached.***

- 3.1 The Levelling Up White Paper (LUWP) introduced the devolution framework and the four key principles that would guide future devolution discussions: effective leadership; sensible geography; flexibility; and appropriate accountability.
- 3.2 Through the LUWP, the North East and York and North Yorkshire were invited to negotiate devolution deals for expanded and new mayoral combined authorities (MCAs) respectively, deals that have subsequently been agreed (see section 2). The LUWP also named nine areas that were formally invited to commence negotiations for a County Deal. Of the areas listed, deals are in the process of being implemented for Derby and Derbyshire and Nottingham and Nottinghamshire (East Midlands); Durham (part of expanded North East deal); Norfolk; and Suffolk. As of 31 March 2023, negotiations were ongoing for Cornwall; Devon, Plymouth, and Torbay; Hull and East Yorkshire; and Leicestershire.
- 3.3 Outside of the areas named in the LUWP, the focus of Government in the period 1 April 2022 to 31 March 2023 has been on opportunities to pursue further mayoral (Level 3) devolution deals.
- 3.4 In late April 2022, a proposal was received from Surrey for a County Deal. In keeping with the Government prioritisation of Level 3 devolution, this deal was not progressed in the period April 2022 to March 2023.
- 3.5 As set out the Levelling Up White Paper, the government is committed to ensuring that by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

## 4. Functions exercisable by a Minister of the Crown that have been devolved

*Legislative requirement: Section 1 (2)(c) of the 2016 Act requires the Report to provide information on functions exercisable by a Minister of the Crown that have been devolved as a result of agreements so as to become exercisable by a mayor for the area of a combined authority (including information as to any such functions that remain exercisable by a Minister of the Crown as a result of an agreement providing for functions to be exercisable jointly or concurrently).*

4.1 Between 1 April 2022 and 31 March 2023, two statutory instruments (SIs) were made to implement the devolution deal between the government and Tees Valley Combined Authority. These SIs established two mayoral development corporations and were made on 30 January 2023.

The Middlesbrough Development Corporation (Establishment) Order 2023 (SI 2023/103)<sup>9</sup>

The Hartlepool Development Corporation (Establishment) Order 2023 (SI 2023/104)<sup>10</sup>

4.2 An additional statutory instrument (SI) was made on 20 February 2023 to abolish the South Yorkshire Passenger Transport Executive and transfer its functions into the South Yorkshire Mayoral Combined Authority.

The South Yorkshire Passenger Transport Executive (Transfer of Functions) Order 2023<sup>11</sup>

4.3 The Levelling Up & Regeneration Bill<sup>12</sup> will further devolution by introducing a new type of combined authority model, known as combined county authorities, making it easier to devolve powers to more of England while also simplifying the process of establishing and amending existing combined authorities and enabling local authorities to change to a directly elected mayor model more easily. It also includes changes designed to support the combined authorities Overview and Scrutiny committees.

4.4 The Levelling Up & Regeneration Bill began its passage through the House of Commons and House of Lords throughout the period covered by this report. As of 31 March 2023 it had passed the Commons committee stage and reached its third reading in the House of Commons. It had also reached its second reading in the House of Lords and passed the Lords committee stage. As of the publication of Annual Report on Devolution 2022/23 it has also passed the Lords report stage.

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<sup>9</sup> [The Middlesbrough Development Corporation \(Establishment\) Order 2023](#)

<sup>10</sup> [The Hartlepool Development Corporation \(Establishment\) Order 2023](#)

<sup>11</sup> [The South Yorkshire Passenger Transport Executive \(Transfer of Functions\) Order 2023](#)

<sup>12</sup> [Levelling-up and Regeneration Bill parliamentary site](#)

## 5. Additional financial resources and public functions that have been devolved

*Legislative requirement: Section 1 (2)(d) of the Act requires the Report to provide information on additional financial resources and public functions (so far as not falling within paragraph (c)) which have been devolved as a result of agreements.*

To note – due to rounding the individual figures listed in the tables below may not sum to the total amounts listed

### 5.1 Financial resources devolved to devolution deal areas between 1 April 2022 and 31 March 2023

Funding Stream	Description	Accountable Government Department	Place(s) affected and amounts received in 2022-23	Total amount paid in 2022-23	Payment Schedule	Comment
<b>Investment Funds</b>	Capital and revenue funding agreed through devolution deals for local investment. Forms part of the Single Pot arrangement.	Department for Levelling Up, Housing & Communities	Cambridgeshire & Peterborough: £20m Greater Manchester: £30m Liverpool City Region: £30m North of Tyne: £20m South Yorkshire: £30m Tees Valley: £15m West Midlands: £36.5m West of England: £30m West Yorkshire: £38m	£249.5m	£7,605m over 30 years. <sup>13,14</sup>	Payments made by Section 31 grant.  The National Local Growth Assurance Framework provides guidance for how MCAs should appraise, monitor, and evaluate schemes to achieve value for money. <sup>15</sup>
<b>City Region Sustainable Transport Settlements (CRSTS)</b>	A 5-year, £5.7bn funding programme supporting investment in improved local transport networks.	Department for Transport	Greater Manchester: £172.3m Liverpool City Region: £138m South Yorkshire: £110.8m Tees Valley: £60.3m	£937.6m	Annual grant in accordance with agreed settlement profile. <sup>16</sup>	Settlements incorporate funding from the Highways Maintenance Block (HMB), Potholes Fund, Integrated

<sup>13</sup> 30 years commences from the signing of each agreement. Payments subject to 5 yearly 'Gateway Review' assessments whereby an independent panel of experts will assess investments' impact on economic growth.

<sup>14</sup> The North of Tyne's 30 years will reset to align with the inception of the North East Mayoral Combined Authority replacing it, generating a further £120m over 6 years.

<sup>15</sup> [National Local Growth Assurance Framework](#)

<sup>16</sup> Funding profiles are contained in settlement letters for each eligible MCA [City Region Sustainable Transport Settlements: confirmed allocations](#)



			West Midlands: £204.1m West of England: £90.9m West Yorkshire: £161.3m			Transport Block (ITB) and the Transforming Cities Fund. Figures for Greater Manchester and West of England are slightly less than their settlement letters, reflecting their agreement to forego certain funding streams (including ITB and HMB) in return for retaining an increased proportion of business rates. <sup>17</sup>
<b>Highways Maintenance Block, potholes funding and Integrated Transport Block</b>	Capital funding for highways maintenance, including potholes, and transport projects under £5m.	Department for Transport	Cambridgeshire & Peterborough: £27.7m North East <sup>18</sup> : £66.4m	£94.1m	Annual grant in line with formula-based allocations for 2022/23-24/25. <sup>19</sup>	Figures for the North East are the combined allocations for the North East and North of Tyne Combined Authorities.
<b>Transforming Cities Fund (TCF)</b>	A 5-year, £2.45bn funding programme supporting investment in public and sustainable transport infrastructure.	Department for Transport	Cambridgeshire & Peterborough: £0m (see comments column) North East: £86.2m	£86.2m	Annual grant in accordance with agreed profile.	Due to delivery challenges, planned funding of £21m for Cambridgeshire and Peterborough CA has been re-profiled into 2023/24. North East and North of Tyne's TCF grant is paid

<sup>17</sup> [Explanatory note for authorities with increased business rates retention arrangements](#) – February 2023

<sup>18</sup> Integrated Transport Block is paid to the North East Combined Authority (NECA) which hosts the statutory North East Joint Transport Committee. Highways Maintenance Block and potholes funding is paid directly to the 7 local authorities that comprise NECA and the North of Tyne Combined Authority.

<sup>19</sup> Allocations and an explanation of the funding formula are provided at [Highways maintenance funding formula allocations, 2022 to 2025](#)

						collectively to the North East Joint Transport Committee.
<b>Adult Education Budget</b>	Devolved budget which funds qualifications and programmes for learners aged 19+.	Department for Education	Cambridgeshire & Peterborough: £12m Greater Manchester: £100m Liverpool City Region: £55m North of Tyne: £25m South Yorkshire: £41m Tees Valley: £32m West Midlands: £137m West of England: £16m West Yorkshire: £69m	£487m <sup>20</sup>	Annual payment	Payments made by Section 31 grant.
<b>Free Courses for Jobs</b>	Ring-fenced funding in the financial year 2022-23 for the delivery of the Free Courses for Jobs Level 3 offer in devolved areas.	Department for Education	Cambridgeshire & Peterborough: £1.0m Greater Manchester: £7.7m Liverpool City Region: £4.3m North of Tyne: £1.9m South Yorkshire: £3.2m Tees Valley: £2.4m West Midlands: £10.5m West Yorkshire: £5.3m West of England: £1.2m	£37.5m	Annual payment <sup>21</sup>	Section 31 grant determination (ring-fenced).
<b>Work &amp; Health Programme</b>	Funding for locally commissioned programmes aimed at long term jobseekers and claimants with disabilities	Department for Work & Pensions	Greater Manchester: £7.0m	£7.0m	Maximum indicative amount over 8 years £30m. <sup>22</sup>	Payments are made by Section 31 grant. Funding determined by DWP on receipt of the contractual performance profiles and unit prices agreed between

<sup>20</sup> [Mayoral combined authorities s31 adult education budget for 2022 to 2023 – additional funding](#)

<sup>21</sup> [MCA ring fenced s31 level 3 adult offer funding for 2022 to 2023](#). Payments are recovered if not spent as detailed in the Section 31 ringfenced grant letter. This is achieved by reducing the FY grant in line with under-delivery in the previous AY, so FY 22-23 payment has been reduced by the amount of under delivery in AY 20/21.

<sup>22</sup> Subject to future Spending Review.

						Greater Manchester and their suppliers.
<b>Work and Health Programme Job Entry Targeted Support (JETS)</b>	JETS was introduced as part of the DWP “Plan for Jobs” in response to the impact of the Covid-19 Pandemic, it aims to provide relatively light touch support to those unemployed for 13 weeks or more, many of this client group have become unemployed as a direct result of the pandemic.	Department for Work & Pensions	Greater Manchester: £3.8m	£3.8m	Maximum indicative amount was increased to £19.7m. <sup>23</sup>	Payments are made by Section 31 grant. Funding for 2021/22 determined by DWP on receipt of the contractual performance profiles and unit prices agreed between Greater Manchester and their suppliers.
<b>Fire &amp; Rescue Service</b>	Fire National Resilience	Home Office	Greater Manchester: £294k <sup>24</sup>	£294k	Annual payment	Payments are made by Section 31 grant.
<b>Policing Grants</b>	Provided where Mayor has Police & Crime Commissioner powers as part of devolution agreement.	Home Office	Greater Manchester: £523m West Yorkshire: £383m	£906m	In 12 monthly instalments.	Payments made under Section 46 of the Police Act 1996. Grants breakdown provided in footnote <sup>25</sup>

This section provides information on significant financial resources that are delivered by combined authorities but have not been devolved as a result of their devolution deals.

<sup>23</sup> JETS was extended in September 2021 for a one-year period in England and Wales, including in Manchester and stopped taking referrals in September 2022. The maximum indicative amount was increased compared to previous indications.

<sup>24</sup> Broken down as follows: New Dimensions Grant - £87.4k, Firelink Grant - £187.5k, Risks Grant - £19.5k

<sup>25</sup> [Police Grant report: 2022 to 2023](#)

<b>Funding Stream</b>	<b>Description</b>	<b>Accountable Government Department</b>	<b>Place(s) affected and amounts received in 2022-23</b>	<b>Total amount paid in 2022-23</b>	<b>Payment Schedule</b>	<b>Comment</b>
<b>Brownfield Fund</b>	The Brownfield Housing Fund aims to create more homes by bringing more brownfield land into development. The Fund is allocated to 7 mayoral combined authorities (MCAs) in the Midlands and North.	Department for Levelling Up, Housing and Communities	Greater Manchester: £34.9m Liverpool City Region: £7.6m North of Tyne: £4.8m South Yorkshire: £6.7m Tees Valley: £6.4m West Midlands: £32.5m West Yorkshire: £18.2m	£111m Capital	£550m Capital over 5 years from 2020/21 to 2024/25.  £8.0m Revenue in 2020/21 only.	Payments made by Section 31 grant.
<b>UK Shared Prosperity Fund (UKSPF)<sup>26</sup></b>	UKSPF is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK.	Department for Levelling Up, Housing & Communities	Cambridgeshire & Peterborough: £1.2m Greater Manchester: £10.2m Liverpool City Region: £5.4m North of Tyne: £5.8 South Yorkshire: £4.8m Tees Valley: £5.2 West Midlands: £10.8m West of England: £1.3m West Yorkshire: £8.3m	£53m (including £360,000 capacity payments detailed in 5.2)	£433m over 3 years to MCAs (2022/23 – 2024/25) <sup>27</sup> (£508m including DfE Multiply)	Funding is allocated using a formula. <sup>28</sup>
<b>English City-Region Capital Regeneration Funding</b>	One-off funding made available to the 9 MCAs and the GLA to spend on high-value capital regeneration projects	Department for Levelling Up, Housing & Communities	Cambridgeshire & Peterborough: £8m Greater Manchester: £20m Liverpool City Region: £19.7m North of Tyne: £15.35m	£161.2m	All payments made in Feb / Mar 2023	Payments made by Section 50 grant.  Project detail can be found in the public guidance. <sup>29</sup>

<sup>26</sup> [UK Shared Prosperity Fund: prospectus](#) – Updated August 2022

<sup>27</sup> [UKSPF Allocations](#) – Updated August 2022

<sup>28</sup> [UKSPF Allocation methodology](#) – Updated May 2022

<sup>29</sup> [English city region capital regeneration funding](#)

	that will drive growth and levelling up in their areas.		South Yorkshire: £12.4m Tees Valley: £15m West Midlands: £25.9m West of England: £18.2m West Yorkshire: £12.6m			
<b>New devolution deal capital funding</b>	Funding to support local priorities, as part of devolution deals agreed in 2022/23.	Department for Levelling Up, Housing & Communities	York & North Yorkshire: £2.64m East Midlands: £6.25 Suffolk: £3m Norfolk: £5.9m Cornwall: £10m North East: £0m (payments from 23/24)	£27.8m <sup>30</sup>	£66.5m over 22/23 - 24/25.	Payments are made by Section 31 Grant.  Amounts vary by deal and year. For Suffolk, Norfolk & Cornwall the only payments were in 22/23. Detailed breakdowns provided in deal text. <sup>31</sup>
<b>UK Community Renewal Fund</b>	The Community Renewal Fund invested in people, places, businesses and communities, with an aim to improve everyday life across the UK.	Department for Levelling Up, Housing & Communities	Cambridgeshire & Peterborough: £1.18m Greater Manchester: £1.46m Liverpool City Region: £0.84m North of Tyne: £0.36m South Yorkshire: £2.55m Tees Valley: £0.54m West Midlands: £1.74m West of England: £0.82m West Yorkshire: £0.46m	£9.95m	£29.5 over 2021/22 and 2022/23	Issued as ringfenced grants through Section 50 of the United Kingdom Internal Market Act (UKIM) 2020.
<b>Active Travel Fund 4</b>	Capital grant funding to deliver local authority active travel infrastructure projects.	Department for Transport	Cambridgeshire and Peterborough: £3.9m Greater Manchester: £23.7m Liverpool City Region: £14.4m North East Joint Transport Committee: £7.2m South Yorkshire: £2.4m Tees Valley: £0.4m	£85.8m	One-off grant	

<sup>30</sup> Where the institutions to be formed as a result of the devolution agreement do not yet exist, money was distributed to designated local authorities.

<sup>31</sup> Deal text: [York & North Yorkshire](#) (paras. 57 & 86), [East Midlands](#) (paras. 64 & 92), [Suffolk](#) (para. 80), [Norfolk](#) (para. 60), [Cornwall](#) (paras. 77 & 109), [North East](#) (para 92)

			West Midlands: £12.6m West of England: £3.6m West Yorkshire £17.4m			
<b>Bus Service Improvement Plan</b>	Funding to deliver long-term improvements to bus services as set out in local authorities' Bus Service Improvement Plans.	Department for Transport	Greater Manchester: £20.1m Liverpool City Region: £2.5m North East: £117.9m West Midlands: £18.4m West of England: £5.6m West Yorkshire: £14.1m	£178.5m	Annual grant in line with agreed profiles	The amount for the West of England also covers North Somerset. It is not possible to disaggregate the figures by area.

## 5.2 Capacity funding paid to devolution deal areas between 1 April 2022 and 31 March 2023

<b>Funding Stream</b>	<b>Description</b>	<b>Accountable Government Department</b>	<b>Place(s) affected and amounts received in 2022-23</b>	<b>Total amount paid in 2022-23</b>	<b>Payment Schedule</b>	<b>Comment</b>

<b>Mayoral Capacity Fund</b>	Available to MCAs with elected mayors. This fund supports mayors by boosting their capacity and resources to deliver for their local area.	Department for Levelling Up, Housing & Communities	Cambridgeshire & Peterborough, Greater Manchester, Liverpool City Region, North of Tyne, South Yorkshire, Tees Valley, West Midlands, West of England, West Yorkshire All receiving £1m	£9m	£9m in 2022/23. Two further years have since been confirmed at the same level.	Payments made by Section 31 grant.
<b>Skills Advisory Panel</b>	To analyse their local needs and priorities, which could include employing a labour market analyst.	Department for Education	Cambridgeshire & Peterborough, Greater Manchester, Liverpool City Region, North of Tyne, South Yorkshire, Tees Valley, West Midlands, West of England, West Yorkshire All received £55k	£495k	Annual payment	Payments made by Section 31 grant.
<b>Active Travel Capability Fund</b>	Funding to support the development of infrastructure plans and delivery of community engagement and training initiatives.	Department for Transport	Cambridgeshire & Peterborough: £0.8m Greater Manchester: £3.4m Liverpool City Region: £1.4m North East: £1.4m South Yorkshire: £1m Tees Valley: £0.5m West Midlands £3.5m West of England: £0.7m West Yorkshire: £2.5m	£15.2m	One-off grant	
<b>City Region Sustainable Transport Settlement (CRSTS) Capacity Funding</b>	Capacity funding to support MCAs in their delivery of CRSTS capital programmes.	Department for Transport	Greater Manchester: £8.4m Liverpool City Region: £6.2m North East £5.7m South Yorkshire: £5.4m Tees Valley: £3.8m West Midlands: £8.3m West of England: £5.2m West Yorkshire: £7.0m	£50m	Annual grant in line with amounts set out in CRSTS settlement letter	Allocation of capacity funding to the North East for 2022/23 reflects the commitment made in

						the Devolution Deal. <sup>32</sup>
<b>Levelling Up Fund capacity funding</b>	Funding to support MCAs to build the necessary capacity and capability support infrastructure. This will be used to support Local Authorities within the MCA geographical area to deliver their capital projects as part of a devolved, sector-led approach.	Department for Levelling Up, Communities and Housing	Cambridgeshire & Peterborough, Greater Manchester, Liverpool City Region, North of Tyne, South Yorkshire, Tees Valley, West Midlands, West of England, West Yorkshire  All received £625k	£5.625m	£5.625m for 2022/23	
<b>UK Community Renewal Fund: Management Funding</b>	Funding to support the management of the CRF.	Department for Levelling Up Housing & Communities.	Cambridgeshire & Peterborough: £25k Greater Manchester: £32k Liverpool City Region: £21k North of Tyne: £11k South Yorkshire: £60k Tees Valley: £54k West Midlands: £38k West of England: £18k West Yorkshire: £17k	£234k	£625k over 2021/22 and 2022/23.	Issued as ringfenced grants through Section 50 of the United Kingdom Internal Market Act (UKIM) 2020.

<sup>32</sup> [North East devolution deal](#) – December 2022



<b>UK Shared Prosperity Fund (UKSPF)</b>	UKSPF is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK.	Department for Levelling Up Housing & Communities	Cambridgeshire & Peterborough, Greater Manchester, Liverpool City Region, North of Tyne, South Yorkshire, Tees Valley, West Midlands, West of England, West Yorkshire All received £40k	£360,000	A single one-off payment to each MCA for the first year of the fund (2022/23).	See section 4.5 of the UKSPF prospectus. <sup>33</sup>
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### 5.3 Financial resources paid to devolution deal areas for pilot agreements between 1 April 2022 and 31 March 2023

<b>Funding Stream</b>	<b>Description</b>	<b>Accountable Government Department</b>	<b>Place(s) affected and amounts received in 2022-23</b>	<b>Total amount paid in 2022-23</b>	<b>Payment Schedule</b>	<b>Comment</b>
<b>Housing First Pilot</b>	Housing First is an intensive housing led intervention developed for individuals with the most complex support needs. The pilots are testing whether this specific approach works within an English context and at scale. These pilots have been extended until March 2024.	Department for Levelling Up, Housing & Communities	Greater Manchester: £3.6m Liverpool City Region: £3m West Midlands: £0.8m	£7.4m	Ongoing until 2023/24. <sup>34</sup>	Payments made by Section 31 grant.

<sup>33</sup> [UK Shared Prosperity Fund: prospectus](#) – Updated August 2022

<sup>34</sup> [Housing First Pilots 2 year extensions: funding allocations 2022/23 and 2023/24](#) – September 2022

## 6. Consideration of devolving powers to local government

***Legislative requirement: Section 1 (2)(e) of the Act requires the Report to provide information on the extent to which consideration has been given by a Minister of the Crown to the principle that powers should be devolved to combined authorities or the most appropriate local level except where those powers can more effectively be exercised by central government.***

6.1 The Levelling Up White Paper, published 2 February 2021, outlined this Government's intention to extend, deepen and simplify devolution across England so that by 2030, every part of England that wants one will have a devolution deal.

6.2 Over the reporting period, the Government undertook discussions with areas in line with the above, including negotiations on deeper devolution with West Midlands and Greater Manchester MCAs. A key aspect of these deals was the agreement of a single settlement for both combined authorities. The Government is working with the trailblazer MCAs to agree a memorandum of understanding outlining how single settlements will work by the end of January 2024.

6.3 As part of the Levelling Up White Paper, the Government presented a devolution framework that indicates of the types of powers and functions that will be considered for each devolution level, bringing together policies from across Government. Detail is outlined on the following page in line with the following structure:

- Level 1.** Local Authorities working together across a Functional Economic Area (FEA) or whole county area e.g. through a joint committee.
- Level 2.** A single institution or County Council working without a Directly Elected Mayor (DEM)<sup>35</sup>, across a FEA.
- Level 3.** A single institution or County Council working with a DEM, across a FEA or whole county area.

Future editions of this report will provide an update on any changes to the devolution framework.

6.4 No significant changes were made to the content of the devolution framework over the 2022/23 period.

6.5 The English Devolution Accountability Framework<sup>36</sup> (EDAF) was first published on 16 March 2023 and delivers on the Levelling Up White Paper commitment to publish a new accountability framework to apply to all English institutions with devolved powers. It is the first step in setting out how the mayoral combined authorities and the Greater London Authority will be scrutinised and held to account by the UK Government, local politicians and business leaders, and by the residents and voters of their area.

6.6 The EDAF will also apply to other new English institutions with devolved powers including mayoral combined authorities, combined county authorities, and, with regard to their devolved powers, county councils and unitary authorities that have agreed and implemented devolution deals.

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<sup>35</sup> On occasion, reference may instead be made to a directly elected leader though this does not represent a change to the devolution framework.

<sup>36</sup> [English Devolution Accountability Framework](#) – Published March 2023

<b>Devolution Framework</b>					
<b>Function</b>	<b>Detail</b>	<b>L1</b>	<b>L2</b>	<b>L3</b>	
<b>Strategic role in delivery services</b>	Host for Government functions best delivered at strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓	
	Opportunity to pool services at a strategic level	✓	✓	✓	
	Opportunity to adopt innovative local proposals to deliver action on climate change and UK's Net Zero targets	✓	✓	✓	
<b>Supporting local businesses</b>	[LEP functions including hosting strategic business voice]		✓	✓	
<b>Local control of sustainable transport</b>	Control of appropriate local transport functions e.g. local transport plans*		✓	✓	
	Defined key route network*			✓	
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations.			✓	
	Ability to introduce bus franchising		✓	✓	
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓	
<b>Investment Spending</b>	UKSPF planning and delivery at a strategic level		✓	✓	
	Long term investment fund, with an agreed annual allocation			✓	
<b>Giving adults the skills for the labour market</b>	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓	
	Providing input in Local Skills Improvement Plans		✓	✓	
	Role in designing and delivering future contracted employment programmes			✓	
<b>Local control of infrastructure decisions</b>	Ability to establish Mayoral Development Corporations (with consent to host local planning authority)			✓	
	Devolution of locally-led brownfield funding			✓	
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓	
	Homes England compulsory purchase powers (held concurrently)		✓	✓	
<b>Keeping the public safe and healthy</b>	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align^			✓	
	Clear defined role in local resilience*		✓	✓	
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓	
<b>Financing local incentives for residents and business</b>	Ability to introduce mayoral precepting on council tax*			✓	
	Ability to introduce supplement on business rates (increased subject to ballot)			✓	
* refers to functions which are only applicable to combined authorities					
^ refers to functions which are currently only applicable to mayoral combined authorities					

## Annex A: Underpinning Legislation

The Cities and Local Government Devolution Act 2016 (the 2016 Act) received Royal Assent on 28 January 2016. It amends the Local Democracy, Economic Development and Construction Act 2009 to facilitate the implementation of far more ambitious and wide-ranging devolution agreements with combined authority areas and with other areas. It is enabling legislation which provides a legislative framework which can be applied flexibly to different areas by secondary legislation. In particular, secondary legislation may:

- confer any local government function on a combined authority;
- confer any public authority function on a combined authority;
- provide for an elected mayor for a combined authority's area who would exercise specified functions individually and chair the authority;
- provide for the mayor to undertake the functions of Police and Crime Commissioner (PCC) for the combined authority area (in place of the Police and Crime Commissioner); and
- confer any public authority function on a county council or district council.

In addition, the 2016 Act's amendments to the 2009 Act streamline the process for establishing and changing the area of a combined authority, remove geographical limitations as to the establishment of combined authorities, and provide for streamlined governance reforms where these are agreed by one or more of the councils involved.

## Annex B: English Devolution Accountability Framework

The [English Devolution Accountability Framework](#)<sup>37</sup> (EDAF), which was first published in March 2023, delivers on the Levelling Up White Paper commitment to publish a new accountability framework to apply to all English institutions with devolved powers.

The EDAF contains a commitment to be republished and updated, as appropriate, alongside the Annual Report on Devolution. The first of these updates will be due in the 2023-24 edition of the Annual Report on Devolution.

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<sup>37</sup> [English Devolution Accountability Framework](#) – Published 16 March 2023