

To: Cabinet

Date: 4 December 2025

Report of: Caroline Green – Chief Executive

Title of Report: **Devolution Expression of Interest for Oxfordshire within a Thames Valley Mayoral Strategic Authority**

Summary and recommendations	
Decision being taken:	To endorse the submission by Oxfordshire County Council on behalf of Oxfordshire councils of an Expression of Interest to Government for the inclusion of the Thames Valley area in the next wave of its Devolution Programme.
Key decision:	No
Cabinet Member:	Councillor Susan Brown, Leader of the Council
Corporate Priority:	Good, affordable homes. Strong, fair economy. Thriving communities. Zero Carbon Oxford. Well-run council.
Policy Framework:	The Government's Devolution White Paper published December 2024 The Council Strategy 2024-28

Recommendation(s): That Cabinet resolves to:
<ol style="list-style-type: none"> 1. Endorse the benefits from the proposed devolution of powers and functions to a future Thames Valley Mayoral Strategic Authority, and agrees to continue building on the collaborative approach across the region to date; 2. Endorse the Expression of Interest (EOI) to be submitted by Oxfordshire County Council as the upper-tier authority to Government, noting that the EOI is designed to proactively position our region for early consideration in the next wave of the Devolution Programme; 3. Acknowledge the EOI as an initial invitation to Government, opening further dialogue and engagement, and not a decision to establish a Strategic Authority;

4. **Agree** that a further report will be brought to Cabinet prior to any final decision by Oxfordshire County Council as upper-tier authority on the creation of a Strategic Authority; and
5. **Note** an informal Devolution Programme Board will oversee discussions with Government, ensuring robust governance and stakeholder engagement by elected members throughout this process.

Information Exempt From Publication	
	None

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	Expression of Interest letter (EOI)	No

Introduction and background

1. This report notes an Expression of Interest (EOI) will be made by Oxfordshire County Council to Government on behalf of Oxfordshire councils. This is in response to the Government's Devolution policy and seeks to position the Thames Valley region in the next round of Devolution for the purpose of creating a Mayoral Strategic Authority (MSA).
2. By submitting the EOI (Appendix 1) Oxfordshire councils are requesting the Secretary of State engages with us on devolution of powers and functions.
3. Our region aims to enter dialogue with Government to target regional economic growth working within a strategic partnership that focuses on promoting innovation, sustainability and prosperity.
4. An MSA would provide collaborative regional governance and resources to support Oxford City Council's work to enable inclusive growth in our area for the benefit and wellbeing of our residents.

Government's programme of Devolution

5. The principle of devolution is well-established, with Government aiming to redistribute political, social and economic power across England. With its ambition now focused on universal coverage of Strategic Authorities across England following the English Devolution White Paper and the English Devolution and Community Empowerment Bill, Leaders have been meeting across our region to explore the opportunity for Devolution.
6. The Government's vision is for all parts of England to be part of regional Strategic Authorities led by a regional Mayor. These authorities will drive growth and deliver strategic leadership in areas such as inward investment, employment, skills, strategic planning, sustainability, infrastructure investment and transport.

7. Devolution will require council Leaders, supported by their Chief Executives, to form new strategic regional partnerships to drive our ambitions for place based all-inclusive growth.

A Thames Valley MSA to drive regional growth

8. Becoming a Mayoral Strategic Authority represents a significant opportunity for regions in England to drive inclusive growth and prosperity for communities and businesses. With new powers and investment, MSAs can address strategic economic challenges and opportunities, in collaboration with local Leaders, business leaders and investors, with Government and increasingly, with other Strategic Authorities as part of the Council of Regions.
9. Failing to pursue this opportunity carries real risks. Areas that do not secure a strategic authority risk missing out on funding, influence, the ability to set their own strategic direction and deliver against regional priorities. In an increasingly devolved landscape, inaction could for some years result in diminished competitiveness, slower growth, and reduced leverage in regional and national decision-making around investment. Ultimately, Government is taking powers through the English Devolution and Community Empowerment Bill that would enable it eventually to direct local areas to join an MSA.

Thames Valley regional economy

10. The Thames Valley economy is one of the most dynamic and globally connected in the United Kingdom contributing £billions in Gross Value Added (GVA) to the national economy each year. On a per-person basis, it ranks second only to London, a reflection of the area's powerful concentration of high-value industries and skilled workforce.
11. The Thames Valley region's prosperity has its roots in knowledge and innovation, driven by digital technology, communications, life sciences, biotech, and health including creative and professional service sectors that have flourished thanks to the connectivity and proximity to London and Heathrow Airport. Global companies have long chosen to locate in the Thames Valley with established hubs for technology and business services. This includes fast growing sectors in pharmaceuticals, manufacturing, and digital.
12. Our region's economy has a critical mass of science, learning, intellect and inspiration. It has a culture of pushing boundaries, pioneering and entrepreneurship. The universities are powerhouses of knowledge and beacons of experimental excellence as are many of the businesses located in Oxford and elsewhere across the Thames Valley geography.
13. The talent emerging from the universities is driving the establishment of spin out businesses and their scaling up, contributing to an environment that promotes and nurtures commercialisation.

Risk of economic decline

14. Despite its track record of success, the Thames Valley economy has not been immune to the decline in productivity across the UK in recent years, suffering from underinvestment and increased global competition. Its relative prosperity brings other challenges, including housing affordability, infrastructure constraints, and uneven growth across localities.

15. Transport infrastructure, an essential enabler of economic growth, is struggling to cope with increased demand. Education and skills are in many respects mismatched with those required to power capacity for economic growth.
16. A strategic approach is needed to plan a step change in housing delivery and associated infrastructure, coordinate the adoption of green technologies, develop regional connectivity and attract inward investment to power up the economy.
17. Without this, the Thames Valley risks economic decline as businesses and inward investment divert to regions that have clear joined up regional Growth Plans and unfragmented governance arrangements; or simply goes to established international knowledge economy hubs in places like Boston and Silicon Valley.

The opportunity

18. There are substantial benefits in seeking devolution of powers. Devolved control over adult education and skills budgets allows authorities to better align training provision with the needs of local industries from digital technology and life sciences to creative industries, helping retain talent and businesses whilst ensuring inclusive access to opportunities.
19. Devolved powers and responsibility strategic housing delivery and spatial planning will help address housing affordability and ensuring growth benefits reach all communities.
20. A regional transport strategy would future proof the region's rail links. Coordinated investment in rail, bus, and sustainable transport would reduce travel times, improve productivity and support the net zero agenda.
21. A science partnership could form a knowledge-intensive growth region with a stronger national and international identity capable of competing with major European economic clusters.
22. Stronger coordination through an agreed MSA regional growth plan, influenced and led by local authorities, will stimulate a larger, integrated economy that can carry more weight in negotiations with Government, securing devolved funding and national infrastructure investment. It would also present a more compelling 'investment ready' proposition to global investors seeking a region that combines cutting-edge research with commercial capability.

Expression of Interest

23. The EOI emphasises the region's strengths in innovation and productivity and its readiness to enter discussions with Government for a possible MSA. Devolution will drive inclusive growth and unlock significant opportunities for local communities and the UK more broadly.
24. The Thames Valley EOI highlights:
 - **Economic rationale:** The region has national excellence and/or international excellence in at least 5 of the 8 key business sectors highlighted in the Government's Modern Industrial Strategy. The MSA would provide the framework that allows businesses to leveraging those sectors across a wider geography and create jobs. The ambition is to restore growth to pre-Covid levels.

- **Collaborative governance:** There is a commitment to partnership working across constituent councils, with clear terms of reference and for the EOI to mark the start of wider stakeholder engagement across the region.
- **Strategic powers and funding:** Powers over transport, skills, strategic planning, housing, and economic development and the ability to provide these within a business eco-system will lead to greater investment.
- **Place-based leadership:** Greater local control to deliver national policy objectives at local level has been shown to be successful in other established Strategic Authority areas. Adapting powers and functions to meet local needs strengthens local identity, accountability, and the ability to deliver tailored solutions for residents.

25. The EOI is the first stage towards devolution. While it does not bind any council to an MSA at this stage, it does indicate our readiness to engage further.

26. The EOI is described as non-geographically specific and so does not yet determine the future membership of the proposed Thames Valley MSA. However, those councils that are signatories to the EOI and are continuing to collaborate to see its implementation are: Bracknell Forest Council, Cherwell District Council, Oxford City Council, Oxfordshire County Council, Reading Borough Council, Royal Borough of Windsor & Maidenhead, Slough Borough Council, South Oxfordshire District Council, Swindon Borough Council, Vale of White Horse District Council, West Berkshire Council, West Oxfordshire District Council, Wokingham Council

27. Oversight of the proposals will be through a Devolution Board made up of elected representatives from each participating council.

Next Steps

- **Submission of the EOI** (subject to approval) by Oxfordshire County Council on behalf of Oxfordshire councils to Government by 19 December 2025, followed by further engagement and refinement based on feedback from Leaders, Chief Executives, and stakeholders.
- **Ongoing governance and oversight** via the Devolution Board, with updates to Cabinet as needed and public consultation as the process evolves.
- **Build the proposal** through regular engagement, agreeing a specific geography and the size and scale of the Strategic Authority based upon criteria set out in the Devolution White Paper as follows:
 - **Scale:** Strategic Authorities should be of comparable size to existing institutions. The default assumption is for them to have a combined population of 1.5 million or above. The combined population of the council areas submitting EOI is 1.9 million.
 - **Economies:** Strategic Authorities must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets. It is likely that where travel to work areas are small and fragmented, Strategic Authorities will cover multiple travel to work areas.
 - **Contiguity:** Any proposed geography must be contiguous across its constituent councils (either now or with a clear plan to ensure contiguity in the future through agreed local government reorganisation).

- No 'devolution islands': Geographies must not create devolution 'islands' by leaving areas which are too small to go it alone or which do not have natural partners.
- Delivery: Geographies should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.
- Alignment: The government will seek to promote alignment between devolution boundaries and other public sector boundaries.
- Identity: A vital element of successful devolution is the ability for local residents to engage with and hold their devolved institutions to account – and local identity plays a key role in this.
- **Stakeholder engagement** with residents, businesses and public sector partners to explore devolution for our region.
- **Finalise proposal** with further decisions made at key points by Cabinet.

Analysis and consideration of alternative options

28. The Government has set a clear ambition for universal coverage of MSAs across England. It is also legislating for a ministerial directive, which will enable it to directly create Strategic Authorities in any places where local leaders in that region have not been able to agree how to access devolved powers. Therefore the “do nothing” option could mean Government legislating on our behalf for devolution and is not recommended.
29. Opting to begin further discussions with Government on devolution would allow the Council to lead the definition of the strategic authority for our region. This will provide choice over the geography and the ability to determine the key priorities for our area.

Financial implications

30. During the Budget process 2025/26 Oxfordshire County Council set aside a budget of £10m to cover the costs of LGR and devolution. Subject to Cabinet decision, Oxford City Council will consult on a proposed £2m provision in its 2026/27 Budget as its contribution towards the costs of LGR and devolution. To date the costs of devolution have been limited to the costs of the Programme Director role and consultants advising on the economic analysis. These costs are shared amongst the councils participating in discussions on devolution.
31. There are no direct financial implications arising from the submission of the Expression of Interest. As discussions with Government proceed the opportunity will arise to explore how growth in our economy could create significant social and economic uplift for our area and indeed, for the whole country. The Thames Valley is a positive contributor to Treasury.
32. Devolution and Local Government Reorganisation offer an opportunity to reset local government finances. In this context, the EOI submission seeks discussions with Government on developing innovative fiscal solutions to support investment into the Thames Valley Region. This reference to investment funding will also look to develop a more self-sufficient strategic authority that is not reliant on revenue gainshare and

seeks inward investment through the private sector and funding institutions, as part of any regional investment strategy.

Legal issues

- 33. The submission of an EOI to open discussions with Government on Devolution is an executive decision of Oxfordshire County Council as the upper-tier authority. The Levelling Up and Regeneration Act 2023 allows for areas to collaborate to create new Strategic Authorities. The Act requires constituent councils to consent to Devolution, however 'constituent council' is defined in the Act as including only upper-tier councils. While Oxford City Council has participated in all discussions regarding devolution for Oxfordshire and the wider region, its role is to consider whether it supports the decision by the County Council.
- 34. The Cabinet has the authority to formulate the Council's overall policy objectives and priorities, which permits it to make this endorsement.
- 35. The English Devolution White Paper sets out the Government's intention that where the geographies of new Mayoral Strategic Authorities align with Police areas and Fire and Rescue Authorities, Mayors will, by default, be responsible for those services. Where those boundaries do not currently align Government has said that it will look to align public sector boundaries to strategic authority boundaries.
- 36. Through the English Devolution Bill, the Government will introduce a new bespoke duty for Strategic Authorities in relation to health improvement and health inequalities. Strategic Authorities will support partners in driving public service reform and the new devolution framework will set clearer expectations for Mayors' roles in local health systems and in improving population health.

Level of risk

- 37. Risks associated with not seeking to progress Devolution are considered in this report. However, as the decision to submit an EOI rests with Oxfordshire County Council, with or without this Council's support.

Equalities impact

- 38. There are no immediate equalities implications arising from this report. However, the purpose of forming an MSA is to bring an inclusive growth strategy to the Thames Valley Region. A strategy that ensures no one is left behind in the ambition to bring economic growth.
- 39. The expected benefits of devolution are to drive growth, enable housing delivery, and empower local leaders to place more focus on inequality and living standards. An Equalities Impact Assessment will be developed against the different elements of devolution, as proposals progress.

Carbon and Environmental Considerations

- 40. There are no immediate sustainability implications arising from these decisions. Government has indicated it will give strategic authorities a meaningful role in planning for our future energy system, establishing heat network zoning in England and leading on local nature recovery. The detail of these various policies are to follow as the English Devolution and Community Empowerment Bill proceeds through Parliament.

Engagement

41. The EOI was developed collaboratively, with input from local authority Leaders, Chief Executives and other council officers.
42. The EOI is a strategic step to initiate formal discussions with Government, with public and stakeholder engagement planned should the Government accept the Council onto the devolution programme.
43. Devolution is a collaborative process which will require continuous engagement and collaboration between local authorities and with residents, public sector institutions including the NHS, Police and Fire Authorities, businesses, and further and high education providers and other key local organisations and businesses.
44. It is also vital that residents are involved at the earliest opportunity to inform and shape the process. It will not be possible to carry out resident engagement prior to submitting an EOI but it is expected that resident engagement would begin after Government agrees to further discussions.

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Background Papers:	
1	English Devolution White Paper
2	English Devolution and Community Empowerment Bill