

## Devolution and Strategic Partnerships

|                                     |                                                                                                         |  |
|-------------------------------------|---------------------------------------------------------------------------------------------------------|--|
| <b>Cabinet Member:</b>              | Cllr Alex Wagner - Portfolio Holder for Transformation & Economic Growth                                |  |
| <b>Lead Director:</b>               | Kassandra Polyzoides - Interim Service Director for Place Shaping                                       |  |
| <b>Service Area:</b>                | Place Shaping                                                                                           |  |
| <b>Report Author</b>                | Hayley Deighton, Strategic Partnerships Service Manager                                                 |  |
| <b>Officer contact details</b>      | <a href="mailto:Hayley.deighton@shropshire.gov.uk">Hayley.deighton@shropshire.gov.uk</a> – 01743 252489 |  |
| <b>Electoral Divisions Affected</b> | All                                                                                                     |  |
| <b>Key Decision</b>                 | Key Decision                                                                                            |  |
| <b>Cabinet Forward Plan</b>         | Yes – 17 August 2026                                                                                    |  |
| <b>Report considered by</b>         | One Shropshire Board - 3 September 2026<br>Cabinet – 14 October 2026                                    |  |

### 1. Purpose of Report

- 1.1 This report updates Cabinet on the changing national devolution landscape, including the pause on local government reorganisation, and asks Cabinet to agree that Shropshire Council continues discussions with Government, Telford & Wrekin Council and other partners to explore the options that best support Shropshire. The approach recognises Shropshire's rurality, the importance of the M54 corridor, and the strength of existing partnerships including the Marches Forward Partnership.

### 2. Recommendations

Cabinet is recommended to agree to:

- 2.1 continue discussions with Government, Telford & Wrekin Council, and other partners to explore devolution options that support Shropshire's interests, recognise its rurality and build on existing economic and partnership strengths; and
- 2.2 delegate authority to the Chief Executive, and Corporate Director of Growth and Connected Communities, in consultation with the Leader, and relevant Portfolio Holder, to progress discussions with Ministers, Government officials, neighbouring authorities and partners in line with national timescales.

### 3. Background

- 3.1 The Government is continuing to accelerate English devolution, but the national landscape has changed, including the current pause on local government reorganisation. Shropshire Council therefore needs to keep its position under active review and engage with Government on the options available.
- 3.2 Shropshire remains a distinct unitary authority and a non-constituent member of the West Midlands Combined Authority. Any future devolution route must reflect Shropshire's geography, economy, rurality, local identity and public service responsibilities.
- 3.3 The county has strong links eastwards through the M54 corridor into Telford and the wider West Midlands, but also has significant cross-border economic and service relationships with Wales. Shropshire is also rural, sparsely populated and made up of a network of market towns, which means that there is no single obvious devolution geography.
- 3.4 A 2025 options appraisal found no single best option for Shropshire. It highlighted the importance of considering a range of relationships and geographies, including the economic role of the M54 corridor, links with Telford and Wrekin, cross-border relationships with Wales, and the wider Marches Forward Partnership.
- 3.5 The recommended approach is therefore to maintain active dialogue with Government, Telford & Wrekin Council and wider partners, without committing at this stage to a single model or formal strategic partnership. This will allow Shropshire to test the options with Ministers and make the case for an approach that supports growth, recognises rurality, protects local identity and builds on the strength of the Marches Forward Partnership.
- 3.6 Subject to Cabinet agreement, officers will progress a phased programme of work, including:
  - **Continued engagement:** continue discussions with Telford & Wrekin Council, the Marches Forward Partnership and other relevant partners, without predetermining the preferred model.
  - **Governance options:** assess mayoral and non-mayoral options, including implications for decision-making, scrutiny and local accountability.
  - **Strategic case:** develop the evidence base on Shropshire's strengths, including its rural economy, market towns, cross-border relationships, the M54 corridor and the Marches Forward Partnership.
  - **Government engagement:** seek discussions with Ministers and Government officials to test all options that could support Shropshire's interests.

- **Public and partner engagement:** undertake consultation when proposals are sufficiently developed and informed by Government feedback.

#### 4. Summary of Main Proposals

- 4.1 The Government's devolution programme requires Shropshire Council to remain actively engaged and to develop a clear local position. The Council needs to move at pace, but without predetermining a single model before further discussions with Ministers, Government officials and partners.
- 4.2 The proposal is to continue exploring the options that best support Shropshire, recognising the importance of the M54 corridor, the Council's relationship with Telford & Wrekin, Shropshire's rural character and the value of the Marches Forward Partnership. This approach keeps options open while allowing the Council to make a positive case to Government about Shropshire's future devolution route.

#### 5. Alternative Options

- 5.1 The alternative is to take no immediate action or to wait for Government to define a geography for Shropshire. This would reduce the Council's ability to shape the outcome and could leave Shropshire less well placed to access future devolution powers, funding and investment opportunities.
- 5.2 A range of devolution options were considered through the 2025 options appraisal (**see Appendix 1**), but no single model fully reflects Shropshire's geography, economy and public service links. Further discussion with Government and partners is therefore needed before any preferred option is recommended.

#### 6. Key risks and Opportunities

- 6.1 The Council needs to carefully balance the declaration of a financial emergency (favouring short term decision making) with the need to set a long-term vision under a new strategic and sustainable direction and meeting new statutory obligations around devolution and strategic planning.
- 6.2 Whilst there are costs associated with the strategic planning role under English devolution, it is a new statutory requirement for the local authority. It is therefore likely to include government funding to fulfil these new duties, albeit detailed guidance has not yet been provided by government.
- 6.3 Driving strategic partnerships and place shaping activity is critical for the Council in its place-based systems leadership role. It is the only organisation that can fulfil this duty for Shropshire businesses and residents and is vital in helping to convene the right partners to support delivery and in showcasing the growth potential of Shropshire to unlock investment.
- 6.4 Progressing devolution and wider strategic planning will enable the Council to unlock devolved funding allocations and help position the county for investment from central government, government departments and with the private sector. Harnessing the potential of the M54 as a growth corridor and aligning to the existing work across the Marches Forward Partnership will help to amplify Shropshire's economic potential and help to protect Shropshire's frontline service delivery.

6.5 However, Shropshire's strategic planning approach will require careful management and robust governance arrangements. The political ambitions and mandates between Shropshire and other local authorities needs to be fully understood to develop a framework that is mutually beneficial and which helps to facilitate critical decisions on investment, infrastructure and spatial planning. Shropshire's unique rural economic challenges and opportunities must not be overshadowed and there is a need for robust governance arrangements to be put in place from the outset to ensure senior management capacity and political leadership in shaping the proposed framework with government and associated partners.

6.6 In summary, the main risks are delay, loss of influence over the final geography, short-term financial pressure, and the need to ensure Shropshire's priorities are not diluted within any future devolution arrangement. The main opportunities are stronger access to devolved powers and funding, a clearer investment proposition for Shropshire, better strategic planning for housing and infrastructure, and stronger alignment with existing partnerships including the Marches Forward Partnership.

| Risk                                                                                                                                                                                                                                                           | Mitigation                                                                                                                                                                                                                                        | Link to Strategic Risk                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Declaration of a financial emergency risks driving reactive, short-term decision-making that undermines long-term sustainable development and statutory devolution compliance.                                                                                 | Separate immediate emergency financial planning from long-term statutory planning frameworks. Embed statutory devolution milestones into the Council's overarching Corporate Plan to safeguard future service design.                             | <ul style="list-style-type: none"> <li>Challenging financial position compromising decision making and governance arrangements.</li> </ul>                       |
| Progressing new statutory strategic planning duties under English Devolution creates near-term financial pressures before explicit government funding parameters are detailed.                                                                                 | Actively leverage transformation funding allocations. Coordinate government lobbying through regional networks for early delivery of New Burdens funding allocations from central government. Work with neighbouring LAs on shared resource plans | <ul style="list-style-type: none"> <li>Governance, performance and financial weaknesses.</li> <li>Transformation programmes and significant projects.</li> </ul> |
| Failure to strategically position the county alongside key infrastructure corridors through proactive leadership on devolution and strategic partnerships risks losing central funding allocations and private capital to better-aligned neighbouring regions. | Scale up strategic partnership work across the Marches Forward Partnership and around the M54 growth corridor to increase Shropshire's economic profile                                                                                           | <ul style="list-style-type: none"> <li>Transformation programmes and significant projects.</li> <li>Achieving long term financial sustainability.</li> </ul>     |

|                                                                                                                                                                                                  |                                                                                                                                                                                                                                 |                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conflicting political mandates with Telford and Wrekin Council, combined with Shropshire's immediate focus on its immediate financial emergency risks Shropshire's priorities being overshadowed | Establish robust governance arrangements with Telford and Wrekin Council and with the Marches Forward Partnership to champion Shropshire's needs from the outset and respect individual LA identity and service delivery roles. | <ul style="list-style-type: none"> <li>• Governance, performance and financial weaknesses.</li> <li>• Breakdown of critical contracts, providers or strategic partnerships.</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 7. Council Priorities

7.1 Progressing English devolution under the government's *Rewiring the State* framework serves as the primary route to unlock devolved funding streams and is a key means by which to address financial sustainability which underpins all council priorities within Shropshire's Corporate Plan. This proposal supports the Corporate Plan by helping the Council pursue long-term economic growth and stronger partnership working. It enables Shropshire to make a clear case to Government while protecting local priorities and frontline services.

## 8. Financial Implications

8.1 Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

8.2 Devolution is a new statutory requirement being placed on local authorities by government and may, in time, be supported by funding. However, the initial exploratory phases, option appraisals, and joint business case formulation will need to be funded using existing council transformation budgets. Once established, strategic authorities provide opportunity for significant financial gain as they provide a strategic framework for unlocking growth and investment. Under government policy, the creation of a strategic authority provides opportunity to introduce fiscal flexibilities, such as localised business rate retention. Therefore, the primary financial risk for Shropshire Council rests with not meeting the government deadlines, resulting in Shropshire being structurally excluded from major national funding streams.

## 9. Legal and HR implications

- 9.1 The progression of strategic partnership and planning duties aligns with the requirements outlined in the English Devolution and Community Empowerment Act 2026. This sets out new statutory requirements for local authorities to form strategic authorities and develop joint Spatial Development Strategies.
- 9.2 Whilst the detailed guidance from government is yet to be provided, legal advice will be provided on an ongoing basis as discussions with partners and government advance, and further detailed guidance is provided to local authorities. Once detailed plans emerge, consideration will be given to what governance arrangements are required and any consequential amendments which will need to be introduced to the Council's Constitution.

## **10. Electoral Division Implications**

- 10.1 English devolution and the Council's approach to strategic partnerships are matters of county wide strategy and therefore directly affect all electoral divisions and requires the strategic engagement of all Members. Whilst this paper recommends delegated authority to move this programme of work forward, all members will be kept fully informed and engaged through corporate briefing sessions and formal reporting channels. This structured oversight will ensure all councillors can actively steer Shropshire's long-term direction as the strategic partnership structures develop in line with emerging government requirements.

## **11. Health, Social (including "Child Friendly Shropshire") and Economic Implications**

- 11.1 The recommendations to progress devolution pathways with Telford & Wrekin Council and scale up cross-border delivery via the Marches Forward Partnership (MFP) are fully in accordance with the Council's Health in All Policies approach. This framework recognises that the wider determinants of health—such as financial security, stable employment, high-quality housing, and physical connectivity—exert the greatest influence on the long-term physical and mental wellbeing of Shropshire's residents. By positioning the Council as a strong strategic partner, these initiatives directly aim to improve population-level health outcomes through targeted economic growth.

## **12. Equality and Diversity Implications**

- 12.1 Whilst this paper seeks agreement to proactively progress strategic engagement with Telford and Wrekin Council, any proposals, that come forward from this future strategic planning framework work, will require a completed and detailed Equality, Social Value and Health Impact Assessment (ESHIA).
- 12.2 Shropshire possesses a significant, deeply rooted Armed Forces community, encompassing serving personnel, veterans, and military families. In line with the statutory requirements of the Armed Forces Covenant, these strategic partnerships, will work to ensure the military community faces no disadvantage in accessing local services and economic growth. Any joint work with Telford & Wrekin Council will explicitly engage with the Ministry of Defence (MoD) and local base commanders during infrastructure planning. This collaborative approach will ensure that future housing allocations, school place planning, and local health provisions consider the unique, highly mobile requirements of military families across the county.

### **13. Climate Change, Biodiversity and Environmental Implications**

- 13.1 A devolution framework offers a powerful mechanism to accelerate regional climate resilience and adaptation. The regional scale and strategic basis of strategic authorities enable councils to address macro scale issues, such as climate change, in a more effective way than they are able to individually. For example, the unified governance structure will significantly strengthen the business case for infrastructure priorities and investment in the region. Furthermore, a shared Spatial Development Strategy ensures that environmental protections, biodiversity net gain, and carbon sequestration is planned cohesively across local authority boundaries rather than in isolation.

### **14. Background Papers**

- 14.1 Strategic Partnerships and Spatial Development Strategies - Cabinet 11.03.26 .

### **15. Appendices**

APPENDIX A - Devolution Options Appraisal 2025