



# Ministry of Housing, Communities & Local Government

**Dame Sarah Healey DCB CVO**  
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18 March 2026

*By email*

Dear Sir Geoffrey,

I wrote to you on 24 April last year, following our meeting alongside Dame Bernadette Kelly on 12 March. I summarised my department's commitment to strengthening local accountability and scrutiny processes for Mayoral Strategic Authorities and the steps we were intending to take to do so; from reforms to local audit to the introduction of accountability arrangements for the Integrated Settlement. This also included our commitment to explore a Local Public Accounts Committee model and whether to clarify lines of accountability through the introduction of Local Accounting Officers. I am writing to you today to provide an update on progress we have made on this work over the course of the last year.

## **Integrated Settlement**

Following our meeting, Greater Manchester Combined Authority and the West Midlands Combined Authority have made good progress in delivering the agreed outcomes for the 2025-26 Integrated Settlement. My department chaired the first Cross-Whitehall Programme Board for each authority in December 2025, and we will coordinate the next boards shortly after April 2026 to monitor their end of year progress. We have also published a refreshed policy document guiding how the Integrated Settlement will be implemented from 2026-27 onwards. The process for agreeing and monitoring outcomes associated with the Integrated Settlements and the accountability arrangements remain the same.

As I set out last year, we are scaling up the Integrated Settlement. We will implement new Integrated Settlements for the North East, West Yorkshire, Greater London, South Yorkshire, and Liverpool City Region from 2026-27. These multi-year settlements will consolidate over £13.5 billion across six policy themes, ensuring Mayors representing nearly 40% of people in England will have local control over a single flexible pot for growth and public services priorities. The outcomes frameworks covering financial years 2026-27 to 2029-30 for each place will be published in the spring, so local and central government, as well as the public, know what the Established Mayoral Strategic Authorities are working to deliver with their Integrated Settlement.

## **English Devolution and Community Empowerment Bill**

We have now introduced the English Devolution and Community Empowerment Bill into Parliament and will begin Lords Report stage on 24 March. The Bill supports the next phase of English devolution, by establishing a simpler and more consistent model that can be delivered more quickly, creating in law a standardised framework of devolved powers and functions, and strengthening local government and community empowerment.

### **Local Scrutiny Committees**

During the passage of the Bill, concerns were raised about the absence of strengthened scrutiny arrangements and the need for clearer, more robust oversight. Since the publication of the English Devolution White Paper, officials in my department have conducted considerable engagement with the sector. The sector expressed a clear need for local scrutiny and accountability to operate with greater strategic focus, transparency and public confidence. They also raised concerns that creating an additional committee could lead to duplication, rather than creating a single forum for a Mayor to held to account for the breadth of their responsibilities. This has helped us to establish the most appropriate model for a Local Public Accounts Committee.

Yesterday, our Ministers tabled a package of amendments to introduce Local Scrutiny Committees, which will strengthen the quality, transparency and visibility of local scrutiny across Mayoral Strategic Authorities.

Local Scrutiny Committees will replace the existing system of Overview and Scrutiny Committees in Mayoral Strategic Authorities. This will start with all Established Mayoral Strategic Authorities in April 2027, before applying to all Mayoral Strategic Authorities from April 2028. The only exception is the Greater London Authority: the London Assembly already undertakes functions equivalent to those set out below, so no changes are currently proposed for London.

This system will create a clear focus on local scrutiny of the value for money of spending by Mayoral Strategic Authorities and partners, and on giving greater powers to enable a higher quality of scrutiny, more comparable to that of parliamentary scrutiny.

The key new features of a Local Scrutiny Committees will be:

- a. **Scope:** Undertaking their own thematic inquiries, scrutinising decisions and actions taken by the mayor, including at the pre-decision stage.
- b. **Oversight of Value for Money:** Commissioning value for money assessments of Mayoral Strategic Authority expenditure to ensure that money is used efficiently, effectively and delivers the necessary outcomes. They also can make reports and recommendations related to the achievement of value for money.
- c. **Powers:** Requiring the mayor, statutory deputy mayor, commissioners, portfolio holders and officers of the Mayoral Strategic Authority to appear before the committee to answer questions or to provide information. They will also have the power to compel attendance from 'key persons', who will be defined in regulations, subject to consultation.

- d. **Sanctions:** Significant stakeholders may be subject to a civil penalty for failing, without reasonable excuse, to attend a meeting, answer questions, provide information or documents, or if they mislead a scrutiny committee. Committees will also be able to remove the mayor or political appointees from post if they fail to attend six consecutive scrutiny meetings, or six meetings within a twelve-month period without reasonable excuse. Further detail and an appeals route will be established in regulations.
- e. **Escalation:** They will be able to share reports and recommendations with any Government department or public body deemed necessary. This could include both the National Audit Office and Local Audit Office. This will help to inform whether Government needs to take interventions informally or via formal routes, such as under the Best Value duty.
- f. **Expertise:** Regulations will set out a requirement to establish and consult on an independent, remunerated panel of experts as part of their inquiries. The experts will be aligned to mayoral functions but without voting rights.
- g. **Public engagement:** Local electors will be able to petition Local Scrutiny Committee to examine an issue of local concern, which must be considered for discussion if signed by at least 0.1% of local electors.

These measures, taken alongside other provisions in the bill to strengthen the local audit system and a more coherent approach to oversight and assurance, should ensure that Mayoral Strategic Authorities face the right checks and balances at local level, by Government and by the public. This will also be critical as we enter a new phase of fiscal devolution, with mayors due to have the power to set an Overnight Visitor Levy (subject to local consultation) in due course.

We remain committed to the White Paper ambition to strengthen local accountability via a system of Local Accounting Officers. While these are not included in this set of amendments, we continue to engage with the sector on how this can best complement our enhanced scrutiny regime and will confirm our policy position in due course.

I would be happy to meet to discuss progress made on the accountability and scrutiny arrangements for Mayoral Strategic Authorities since our last discussion. I attach the relevant amendments and am copying this letter to all members of the Public Accounts Committee and the Comptroller and Auditor General.

Yours sincerely,



**SARAH HEALEY**