

# Rewiring the State – Cabinet Statement

## 31 July 2026

### Implications for the Voluntary, Community Faith and Social Enterprise Sector

August 2026

NAVCA and ACRE have produced this resource as part of a project supporting the VCFSE sector and forming unitary and strategic authorities to work together through devolution and local government reorganisation.

## Headlines

- Every area of England will have some form of strategic authority by the end of 2028.
- Power, funding and accountability will move from Whitehall to directly elected mayors, strategic authorities and local government.
- Strategic authorities will have more powers over:
  - skills, training and post-16 education
  - support for young people
  - employment support
  - transport
  - housing.
- Public services will be more integrated with mayors having greater local oversight of health, policing and education.
- Fiscal devolution will give local areas a proportion of income tax, business rates will be retained, and visitor levies can be applied.
- Integrated Care Board boundaries will be rearranged again to align with boundaries of strategic authorities by the end of 2028.

## Summary

This statement sets out a major shift in how England will be governed, with more power, funding and accountability moving from Whitehall to mayors, strategic authorities and local government. For voluntary, community, faith and social enterprise [VCFSE] organisations, the direction of travel is clear: decisions about growth, skills, employment, housing, transport, health, policing and public service reform will increasingly be made at strategic authority level. VCFSE organisations will need to understand these new structures, work together with local infrastructure organisations to build relationships with key staff within them, and make the case for the sector's role in prevention, community voice, social infrastructure and inclusive growth.

## What is changing?

The statement describes this as “devolution, not delegation”. Government intends to require departments to justify keeping powers centrally, while expanding the role of local and regional institutions. Every area of England is expected to be covered by a strategic authority by the end of 2028. Some areas already have directly elected mayors, who will have enhanced powers; other areas will begin with non-mayoral foundation strategic authorities. Public service boundaries, including Integrated Care Board boundaries, are expected to be aligned with strategic authority geographies by the end of the Parliament.

Mayors and strategic authorities will gain greater influence over 16–19 education, skills, employment support, young people’s pathways into work and learning, local transport, housing investment, innovation, culture and sport. There will also be new fiscal arrangements, including retention of more business rates, potential visitor levies, and from April 2028 a move towards replacing some central grant with a share of local income tax.

## Why this matters for VCFSE organisations

The VCFSE sector is directly relevant to many of the policy priorities that will be devolved: supporting people into work, improving young people’s outcomes, tackling health inequalities, strengthening community safety, preventing homelessness, reducing demand on statutory services and enabling people to participate in local decision-making. As strategic authorities become more influential, VCFSE organisations will need to be visible at this level through collective voice and shared evidence, which can be facilitated by local infrastructure organisations.

The opportunity is significant. A more place-based model could make it easier to design services around communities rather than Whitehall programme boundaries. Greater budget pooling and stronger local accountability may support prevention, integrated neighbourhood working and long-term partnerships. However, the risks are also real: VCFSE organisations may be left out if strategic authorities focus mainly on statutory institutions and business partners; funding may not follow new expectations; and smaller organisations may struggle to engage with larger regional structures unless local infrastructure organisations are there to work with them.

## Priority issues for the VCFSE sector

- **Partnership and Representation:** VCFSE organisations should seek formal and informal routes into strategic authorities via building relationships with key staff, contributing to policy design, and ensuring the VCFSE sector is represented in decision making and on delivery boards.
- **Funding:** The sector will need to argue that devolved responsibilities require sustainable investment in voluntary and community organisations, not just new duties or short-term projects.
- **Evidence:** Local data will become more important. Organisations should prepare evidence that shows their outcomes and impact and reach into communities, and where appropriate contribution to the local economy. Strategic authorities will be looking for insight and knowledge from communities.
- **Equity between places:** Fiscal devolution may create different opportunities and pressures depending on local tax bases. The sector should keep fairness, redistribution and unmet need central to discussions.

This statement signals a decisive move towards strategic authority-led public service delivery. VCFSE leaders should treat this as an urgent organising moment: build relationships early, align around shared asks, evidence the sector's value, and ensure community voice is embedded in the new devolution settlement from the start.

## Find out more

For more information about devolution see: [What is devolution and how does it affect me?](#)

To get more support on local government reorganisation and devolution, [contact your local NAVCA member](#) and, for rural issues, [contact your local ACRE member](#).