Report to: Council

Date of Meeting 26th February 2025

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Devolution and Local Government Reorganisation

Report summary:

This report provides an update on proposals relating to devolution and local government reorganisation. This follows the publication of the English Devolution White Paper on the 16th December 2024. This was the subject of a report considered by Cabinet on the 8th January and then full Council on the 9th January. This report sets out the key options in relation to the potential configuration of both strategic and principal authorities. It also highlights the next steps in developing proposals and the associated timeline.

Is the proposed decision in accordance with:

Buaget	Yes ⊠ No ⊔
Policy Framework	Yes $oxtimes$ No $oxtimes$

Recommendation:

That Council notes the contents of this report and receives an additional report setting out the proposed interim plan.

Reason for recommendation:

To ensure that Council is fully engaged in the development of the local government reorganisation proposals.

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Portfolio(s)	(check w	hich apr	oly):
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- □ Coast, Country and Environment
- □ Council and Corporate Co-ordination
- □ Communications and Democracy

- □ Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

A full equalities impact assessment will need to be undertaken alongside the development of wider proposals for local government reorganisation.

Climate change Low Impact

Risk: High Risk; The future shape and form of local government structures will be a key determinant of how funds and powers flow from central government which will ultimately impact how services are delivered to residents.

Links to background information English Devolution White Paper - GOV.UK Devolution and local government reorganisation frequently asked questions | Local Government Association Minister of State for Local Government and English Devolution invitation to Devon Leaders 05/02/25

Link to Council Plan

Priorities (check which apply)

- ⋈ A supported and engaged community
- □ Carbon neutrality and ecological recovery
- □ Resilient economy that supports local business

1. Background and context

- 1.1 The English Devolution White Paper was published on the 16th December 2024. This committed to a devolution by default approach with an explicit preference for expanding the mayoral model. This was allied to a policy of local government reorganisation which would see an end to the current two tier system of District and County Council and instead the creation of Principal and Strategic Authorities with guideline populations of 500k and 1.5m people respectively.
- 1.2 The publication of the White Paper was the trigger for a series of extraordinary Council meetings being convened across Devon during the first full week in January. There was a pressing deadline of the 10th January to request to delay the planned May 2025 County Council elections, which could only come from the County Council, and to submit an expression of interest to be become part of the Devolution Priority Programme. The latter was for areas that wished to move forward at pace with the establishment of a Mayoral Strategic Authority with a view to holding inaugural mayoral elections in May 2026.

2. Current Position

2.1 The publication of the White Paper prompted an intense period of activity. Alongside the County Council requesting the postponement of the May elections, one of 16 County areas nationally, a number of options as to how future Principal and Strategies Authorities could be configured have emerged. These are summarised below;

Principal Authority

- 1) Single Unitary
- 2) Two Unitaries e.g. East/West or North/South
- 3) Expanded Plymouth Unitary
- 4) New Exeter Unitary

Strategic Authority

- Devon & Torbay Combined County Authority (default)
- Devon, Plymouth & Torbay Mayoral Combined Authority
- 3) Peninsular Mayoral Combined AuthorityIncluding Cornwall
- 4) Expanded Heart of Wessex Mayoral Combined Authority
 - Dorset, Somerset, Wiltshire,
 Bournemouth/Christchurch/Poole

- 2.2 The White Paper sets out an expectation that consensus will be reached between partners in particular areas as to how best to proceed. It is also clear that Ministers will have powers to direct if this does not prove possible.
- 2.3 There were a series of events on the 5th February that are pertinent to how proposals can now move forward. In order these events were:
 - Confirmation that the Devon & Torbay Combined County Authority had come in to being.
 Looking forward this will become the Foundation Strategic Authority
 - A statement from the Secretary of State setting out which areas had been successful in their application to delay the scheduled May County Council elections. This did not include Devon. Confirmation was also given as to those areas who had been accepted on to the Devolution Priority Programme. This did not include any areas in the wider South West region.
 - The receipt of a further letter from the Minister of State for Local Government and English Devolution including a formal invitation to submit proposals for a single tier of local government. This included additional detail on the timetable for submitting both Interim Plans (21st March) and final proposals (28th November) together with the criteria by which these would be assessed. This letter is available through the background links to this report and the requirements regarding interim plans are included at Appendix A below.
- 2.4 Together the announcement and correspondence helped provide much needed clarification on key aspects of a fast moving agenda.

3. Assessment

- 3.1 It is clear that there is currently a complex landscape of potentially competing options across the wider Devon area. Considerable work is ongoing to engage all partners to work through the various options and to try reach consensus. It is important to consider the arrangements for both Principal and Strategic Authorities in this respect. The lack of consensus in relation to how a Mayoral Combined Authority could be established has seemingly prevented an expression of interested being submitted to become part of the Devolution Priority Programme. This could see Devon becoming disadvantaged relative to other areas which may be able to access the type of additional powers and funding only available to Mayoral Combined Authorities.
- 3.2 The confirmation that the May County Council election will proceed also sets the timetable for local government reorganisation with the expectation that new unitary councils would come in to being at the beginning of April 2028 as opposed to a year earlier. The latest Ministerial letter sets out an expectation that local partners will work together collaboratively and proactively such that, ideally, there is alignment behind a single proposal. There is though recognition that this may not be possible in all areas.
- 3.3 Even though the date that new unitary councils will be established is still over three years in to the future, the initial deadline for submitting interim plans is very challenging. There is considerable work required to address the criteria set out at Appendix A which will demand close working across the Devon Districts together with other Councils and alongside wider engagement with stakeholders. This process will need to continue through to the development and submission of final proposals by the 28th November deadline. Beyond that it is expected that there will be public consultation on the proposals between January and April 2026 and then the necessary legislation will be prepared and laid.
- 3.4 A further report will come to Council to consider the interim plan before this is submitted to national government. This will require an extraordinary meeting of Council to be scheduled, the timing of which will need to be coordinated with the other Devon Districts.

4. Conclusion

4.1 Proposals around devolution and local government reorganisation are evolving at a fast pace. Considerable time and effect is being invested in to exploring the different options with a view to trying to reach consensus. The next stage will be for members to consider a report on the interim plan.

Financial implications:

There are no direct financial implications from the recommendations in this report

Legal implications:

The legal issues are dealt with in the body of the report.

Appendix A

Interim plans

An interim plan should be provided to Government on or before 21 March 2025. This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

- a. identify any barriers or challenges where further clarity or support would be helpful.
- b. identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.
- c. include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- d. include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.
- e. include early views on how new structures will support devolution ambitions.
- f. include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.
- g. set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- h. set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.