

Report to: Council



Date of Meeting 19th March 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Devolution and Local Government Reorganisation

Report summary:

In December 2024 national government published The English Devolution White Paper setting out their intentions for local government in two-tier areas (such as Devon) to be reorganised into a single tier of local government. Interim plans for reorganisation, and the creation of unitary authorities, must be submitted to Government by the 21st March 2025. This report provides an update on progress and recommends that delegation is given to the Chief Executive, in consultation with the Leader, to submit the interim plan.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

That the Chief Executive be given delegated authority, in consultation with the Council Leader, to submit an Interim Plan based on the proposals set out in this report in response to the Minister of State for Local Government and English Devolution's letter dated 5th February 2025 by the deadline of 21st March 2025.

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 which apply):

- ☒ Climate Action and Emergency Response
- ☒ Coast, Country and Environment
- ☒ Council and Corporate Co-ordination
- ☒ Communications and Democracy
- ☒ Economy and Assets
- ☒ Finance
- ☒ Strategic Planning
- ☒ Sustainable Homes and Communities
- ☒ 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](#)

Appendix A: Ministerial Letter

Appendix B: Joint Statement

Appendix C: Draft Interim Plan (to follow)

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ A supported and engaged community
- ☒ Carbon neutrality and ecological recovery
- ☒ Resilient economy that supports local business
- ☒ Financially secure and improving quality of services

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 On the 5th February, the Minister of State for Local Government and English Devolution wrote to the Leaders of all two-tier and unitary council in Devon setting out guidance for proposals for unitary government (see Appendix A). The letter set out a requirement for councils in the historic county of Devon (comprising Devon County, Devon districts, Torbay and Plymouth) to submit their interim plans by 21st March, ahead of detailed proposals for local government reorganisation (LGR) being submitted by 28th November.
- 1.3 The Leader and Chief Executive have been working with the leaders and chief executives of other Devon councils to consider proposals that respond to the government's criteria and would work for our communities taking into account geographies, economies and importantly, the ability to continue delivering good quality services to our residents.
- 1.4 The report considered by Council on the 26th February highlighted that there was a complex landscape of potentially competing options across the wider Devon area. LGR provides a potential opportunity to deliver improvements in service delivery and efficiencies. Nevertheless, there are concerns the proposed scale and timeline for LGR has the potential to disrupt services and add to the transitional costs. The existing system, while imperfect, delivers effective, locally tailored services and possesses established community connections and a strong sense of place.
- 1.5 The Council's medium term financial plan (MTFP) identifies significant funding gaps in 2026-27 and future years, and overall, the Devon system faces significant financial challenges which will not be resolved through reorganisation.

2. Local Government Reorganisation – Interim Plan

2.1 The seven district councils in Devon issued a joint statement on Devolution and Local Government Reorganisation on 28th February (see Appendix B). This stated that initial agreement had been reached to work towards the formation of two new councils that combine existing areas as follows:

- A unitary combining the South Hams, Teignbridge and West Devon areas with Torbay
- A unitary including East, Mid and North Devon alongside Torridge District and the City of Exeter

2.2 A draft interim plan has now been developed reflecting this agreement which sets out a high-level business case which accords with the guidance issued by government in terms of size, working to existing local authority boundaries changes and viability. This is available at Appendix C.

2.3. The draft has been agreed in principle by leaders and chief executives but, importantly, is subject to different governance arrangements at the relevant councils and maybe subject to change right up until the submission deadline.

2.4 It is important to note that the Interim Plan has also been developed in conjunction with Torbay Council. Whilst the Leader of Torbay Council is a signatory to the Interim Plan, this Council is submitting a range of options which it wishes to explore in developing a full proposal. Exeter City Council are preparing a separate submission which is focused on the creation of a standalone unitary Council centred on the existing administrative area but expanding the geographical scope. Confirmation of the proposed boundary for this has yet to be formally received but is likely to include a significant proportion of the west of the District. Plymouth City Council has recently published their interim plan showing a preferred option to expand the City boundaries to include 13 parish areas that are currently within South Hams District.

3. Timings

3.1 Councils have been asked to submit their proposals for reorganisation by 21st March 2025. While it is anticipated that a number of proposals will come forward from Devon, the districts proposal has been developed with a shared belief that a single unitary council for the whole of Devon would be too large and remote to best serve the interests of its residents and communities. No other rural unitary council operates at such a scale.

3.2 To meet the Government timescales, we have had to work at pace to develop the proposals using the best information available to us to inform the interim plan. It is important to note that the interim plan is essentially an initial expression of interest, and that extensive, detailed work will need to be undertaken before a detailed business case is developed that will enable thorough consideration of the risks and opportunities of the proposal. This will need to include extensive stakeholder engagement. The deadline for final proposals to be submitted to government is the 28th November 2025.

4. Proposed Way Forward

4.1 It is proposed that Council approve delegation to the Chief Executive, in consultation with the Leader, to submit the interim plan by the 21 March 2025 deadline. Further reports will come to Council as the proposals develop further.

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.